



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

TO BE HELD ON JUNE 1, 2023

AND MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

APRIL 28, 2023

ABOUT TENAZ

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 and non-operated assets in 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.

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NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO THE HOLDERS OF COMMON SHARES

NOTICE is hereby given that an annual general meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Tenaz Energy Corp. (“**Tenaz**” or the “**Company**”) will be held on Thursday, June 1, 2023 at 2:30 p.m. (Mountain Time) in a virtual-only format for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the financial year ended December 31, 2022 and the auditors’ report thereon.
2. To fix the number of directors to be elected at the Meeting at five (5).
3. To elect five (5) directors of the Company for the ensuing year.
4. To appoint the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration.
5. To transact such further and other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The nature of the business to be transacted at the Meeting and the specific details of the matters proposed to be considered at the Meeting are described in further detail in the accompanying Management Information Circular and Proxy Statement dated April 28, 2023 (the “**Information Circular**”).

The Company is conducting the Meeting virtually by way of live webcast. The Company believes that holding the Meeting in a virtual-only format alleviates the logistical and travel expenses of in-person and hybrid meetings. The improvements made by service providers in conducting virtual meetings in recent years result in not only a better overall communication platform, but also a more sustainable and environmentally-conscious alternative to an in-person meeting. As such, there will be no in-person component to the Meeting. Shareholders who wish to attend the Meeting virtually must do so in accordance with the information and directions set out below and in the Information Circular under the heading “*Information Regarding Voting*”.

Registered Shareholders (as defined in the Information Circular) and duly appointed proxyholders can attend the Meeting online by visiting <https://web.lumiagm.com> and entering the meeting ID: 298-894-731 (password: tenaz2023) where they can participate, vote, or submit questions during the Meeting’s live webcast. Beneficial Shareholders (as defined in the Information Circular) who have not appointed themselves as proxyholders and guests can attend the Meeting online but will not be able to participate, vote or submit questions during the Meeting.

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

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

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is April 27, 2023 (the “**Record Date**”). Only Shareholders whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and vote at the Meeting, provided that, to the extent a Shareholder transfers the ownership of any of his, her or its Common

Shares after such date and the transferee of those Common Shares establishes that they own the Common Shares and request, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

In accordance with the by-laws of the Company, all proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Company, Odyssey Trust Company, Suite 702, 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department, no later than 2:30 p.m. (Mountain Time) on May 30, 2023, or not less than 48 hours (excluding Saturdays and holidays) preceding any adjournment(s) or postponement(s) of the Meeting. Registered Shareholders may also use the internet site at <https://login.odysseytrust.com/pxlogin> to transmit their voting instructions. A proxy must be executed by the Shareholder or his or her attorney authorized in writing, or if the Shareholder is a corporation, under its seal by an officer or attorney thereof duly authorized.

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

DATED this 28th day of April, 2023.

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

(signed) "Anthony Marino"

Anthony Marino

President, Chief Executive Officer and Director

MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

This Management Information Circular and Proxy Statement (“**Information Circular**”) in respect to the annual general meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Tenaz Energy Corp. (“**Tenaz**”, the “**Company**”, “**we**” or “**us**”) is dated April 28, 2023.

The information presented in this Information Circular is presented as at April 28, 2023, except as otherwise noted. Unless otherwise specified, all dollar amounts or references to “\$” herein are expressed in Canadian dollars.

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

INFORMATION REGARDING VOTING

Solicitation of Proxies and Voting

This Information Circular is furnished in connection with the solicitation of proxies by the management of Tenaz for use at the Meeting to be held on Thursday, June 1, 2023 at 2:30 p.m. (Mountain Time) in a virtual-only format, and at any adjournment(s) or postponement(s) thereof, for the purposes set forth in the Notice of Annual General Meeting of Shareholders.

Each outstanding Common Share is entitled to one vote on each resolution voted on a ballot at the Meeting. The Board of Directors of Tenaz (the “**Board**”) has fixed the record date for the Meeting at the close of business on April 27, 2023 (the “**Record Date**”). Shareholders as of the Record Date will be entitled to receive the Notice of Annual General Meeting and Information Circular. Only Shareholders as of the Record Date will be entitled to vote at the Meeting, unless that Shareholder has transferred any Common Shares subsequent to that date and the transferee Shareholder, not later than ten (10) days before the Meeting, establishes ownership of such Common Shares and demands that the transferee’s name be included on the list of Shareholders entitled to vote at the Meeting.

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

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

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

Advice to Beneficial Holders of Common Shares

The information set forth in this section is provided to Beneficial Shareholders. Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker,

then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Company does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

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

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

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

Proxies

Appointment of Proxy Holders

Those registered Shareholders desiring to be represented by proxy at the Meeting must deposit their respective forms of proxy with Odyssey Trust Company ("**Odyssey**") at , Suite 702, 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department in the enclosed self-addressed envelope, by no later than 2:30 p.m. (Mountain Time) on May 30, 2023 or not less than 48 hours (excluding Saturdays and holidays) preceding any adjournment(s) or postponement(s) of the Meeting. A proxy must be executed by the registered Shareholder or by his or her attorney authorized in writing, or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. Registered Shareholders may also cast their vote by faxing their proxy to 1-800-517-4553 or by internet (<https://login.odysseytrust.com/pxlogin>) by following the instructions provided on the form. If you choose to vote by telephone or internet, your vote must also be cast no later than 48 hours, excluding Saturdays, Sundays and holidays prior to the time of the Meeting. A proxy is valid only at the Meeting in respect of which it is given or any adjournment(s) or postponement(s) of the Meeting.

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

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

A registered Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on such Shareholder's behalf at the Meeting other than the persons named in the proxy. To exercise this right, the Shareholder must strike out the name of the persons named in the proxy and insert the name of his or her nominee in the space provided or complete another appropriate form of proxy and, in either case, deposit the proxy with Tenaz at the place and within the time specified above for the deposit of proxies.

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

Registered Shareholders and (or) Beneficial Shareholders appointing a third party proxyholder (other than the Management Proxyholders), and Beneficial Shareholders appointing themselves as proxyholder, must also register their proxyholder at <https://login.odysseytrust.com/pxlogin> by no later than 2:30 p.m. (Mountain Time) on May 30, 2023 or not less than 48 hours (excluding Saturdays and holidays) preceding any adjournment(s) or postponement(s) of the Meeting. You will need to provide Odyssey the required proxyholder contact information so that Odyssey can provide the proxyholder with a login credential by email. Without a login credential, proxyholders will not be able to participate or vote virtually at the Meeting but will be able to listen as a guest (see "*Attending the Meeting as a Guest*" below).

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

Attending the Meeting and Voting

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

1. Log into <https://web.lumiagm.com/298894731> at least 30 minutes before the Meeting starts.

2. If you are a:

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

Duly appointed proxyholder - click "<https://web.lumiagm.com/298894731>" and enter your login credential.

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

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

Attending the Meeting as a Guest

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

1. Log into <https://web.lumiagm.com/298894731> at least 30 minutes before the Meeting starts.

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

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

Revocation of Proxies

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

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

Exercise of Discretion by Proxy

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

Voting Securities and Principal Holders Thereof

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As at the Record Date, there were nil preferred shares and 27,745,174 Common Shares issued and outstanding, with each Common Share carrying the right to one vote on a ballot at the Meeting.

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

Quorum for Meeting

A quorum for the transaction of business at the Meeting shall be present if two Shareholders holding in the aggregate five percent (5%) of the Common Shares entitled to vote at the Meeting are present in person or represented by proxy.

If a quorum is not present at the opening of the Meeting, the Shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business.

Persons Making the Solicitation

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

BUSINESS OF THE MEETING

Recommendation of the Board of Directors

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

Presentation of Financial Statements

The audited consolidated financial statements of the Company for the financial year ended December 31, 2022 and the auditors' report thereon, will be placed before the Meeting. No formal action is required or proposed to be taken at the Meeting with respect to the financial statements and the auditors' report thereon.

Number of Directors

At the Meeting, Shareholders will be asked to fix the number of directors to be elected at five.

Unless otherwise directed, the Management Proxyholders intend to vote **FOR** the ordinary resolution fixing the number of directors to be elected at the Meeting at five.

Election of Directors

At the Meeting, Shareholders will be asked to elect the proposed director nominees set forth below to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed. The Company's Advance Notice By-Law (discussed further below) provides timeframes in which any additional director nominations for the Meeting must have been received by the Company. At the date of this Information Circular, no such nominations had been received.

Unless otherwise directed, the Management Proxyholders intend to vote **FOR** the election of the proposed nominees as directors of the Company being: Marty Proctor, Anna Alderson, John Chambers, Mark Rollins and Anthony Marino.

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

Majority Voting Policy

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

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

decides to accept the director's resignation). The Majority Voting Policy does not apply to a contested meeting, being a meeting at which the number of directors nominated for election is greater than the number of seats available on the Board.

Advance Notice By-Law

On May 16, 2019, Shareholders ratified the adoption by the Company of a By-law regarding advance notice of nominations of directors of the Company (the "**Advance Notice By-law**"), which was filed and is available on Tenaz's website (www.tenazenergy.com). The Advance Notice By-law provides that advance notice to the Company must be made where nominations of persons for election to the Board are made by Shareholders other than pursuant to:

- a "proposal" made in accordance with the *Business Corporations Act* (Alberta) (the "**ABCA**"); or
- a requisition of a meeting made pursuant to the ABCA.

Among other things, the Advance Notice By-law fixes a deadline by which Shareholders must submit director nominations to the Company prior to any meeting of Shareholders. It also outlines the information that a nominating Shareholder must provide to the Company in order to constitute an effective nomination. No person may be nominated for election as a director unless nominated in accordance with the Advance Notice By-law. In the case of an annual meeting, notice to the Company must be made not less than thirty days prior to the date of the meeting, provided that if the meeting is to be held less than fifty days after the date the annual meeting was made public, notice must be made by the tenth day following that announcement.

In the case of a special meeting of Shareholders (which is not also an annual meeting), notice must be made by the fifteenth day following the announcement of the meeting. Shareholders making a nomination must also provide certain information to the Company regarding themselves and the nominee, including the qualification of the nominee to act as a director and any conflicts that may affect the nominee's ability to discharge the nominee's duties to the Company.

The Board may, in its sole discretion, waive any provisions of the Advance Notice By-law.

Appointment of Auditors

At the Meeting, Shareholders will be asked to appoint KPMG LLP ("**KPMG**"), Chartered Professional Accountants, as the auditors of the Company to hold office until the next annual meeting of Shareholders and that the Board be authorized to fix their remuneration. KPMG was first appointed as the auditors of the Company on October 16, 2013.

Unless otherwise directed, the Management Proxyholders intend to vote **FOR** the appointment of KPMG as the auditors of the Company and to authorize the Board to fix their remuneration.

Auditor Remuneration

The Audit Committee conducts a review 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:

Services	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.

DIRECTOR NOMINEES

The following profiles give information about each of the nominated directors, including their skills, education, and professional experience. In addition, the following provides information regarding director service, meeting attendance, security ownership, and other public company boards on which they serve.

Marty Proctor				
Board Chair and Independent Director Director since: October 8, 2021 Alberta, Canada Age: 62 Votes for at 2022 AGM: 11,347,921 (98.12%)		Key Skills and Education Mr. Proctor is a seasoned energy executive with more than 35 years' experience in Canada and international markets. 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.		
Professional Experience				
- Director of Athabasca Oil Corp since May, 2022 - Director of ARC Resources Ltd. since April, 2021. - Director of GreenFirst Forest Products Inc. since May 2021. - President and Chief Executive Officer ("CEO") of Seven Generations Energy Ltd. from July 2017 until April 2021, and President and Chief Operating Officer ("COO") of Seven Generations Energy Ltd. from May 2014 to June 2017.				
Board and committee membership and attendance since January 1, 2022		Other public company boards		
Board Chair	10/10	Arc Resources Ltd.		
Member - Audit Committee	4/4	Athabasca Oil Corp.		
Member - Governance and Human Resources committee	3/3	GreenFirst Forest Products Inc.		
Member - Sustainability, HSE & Reserves Committee	3/3			
Overall attendance	100%			
Common Shares held ⁽¹⁾				
Common Shares	Total Value ⁽²⁾	Total Annual Cash Retainer ⁽³⁾	Required Value of Share Ownership	Meets Share Ownership Guidelines ⁽⁴⁾
111,200	\$239,080	\$60,000	\$180,000	Yes

John Chambers				
Independent Director Director since: June 4, 2019 Alberta, Canada Age: 56 Votes for at 2022 AGM: 11,494,772 (99.39%)		Key Skills and Education Mr. Chambers has over 29 years experience in energy capital markets and merger and acquisition advisory. 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.		
Professional Experience				
- Chairman of Westside Capital Inc. - Director of Sun God Resources Inc. - Director of Infra Fund IAL. - Vice-Chairman and President of GMP FirstEnergy from 2016 to 2018, and President and then CEO of FirstEnergy Capital Corp. from 2006 to 2016. - Former Chair of the Investment Industry Association of Canada.				
Board and committee membership and attendance since January 1, 2022		Other public company boards		
Independent Director	10/10	N/A		
Member - Audit Committee	4/4			
Chair - Governance and Human Resources committee	3/3			
Member - Sustainability, HSE & Reserves Committee	3/3			
Overall attendance	100%			
Common Shares held⁽¹⁾				
Common Shares	Total Value⁽²⁾	Total Annual Cash Retainer⁽³⁾	Required Value of Share Ownership	Meets Share Ownership Guidelines⁽⁴⁾
167,450	\$360,018	\$45,000	\$135,000	Yes

Anna Alderson				
Independent Director Director since: October 8, 2021 Alberta, Canada Age: 62 Votes for at 2022 AGM: 11,319,887 (97.88%)		Key Skills and Education Ms. Alderson has extensive experience providing audit and other services to domestic and international oil and gas companies. 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.		
Professional Experience				
- Director of YMCA Calgary since 2017 and Past Chair of its Audit and Investment Committee. - Member of the Audit Committees for both the Calgary Stampede and Calgary Foundation since June 2021. - Retired Audit Partner following a 36-year career with KPMG LLP.				
Board and committee membership and attendance since January 1, 2022		Other public company boards		
Independent Director	10/10	N/A		
Chair - Audit Committee	4/4			
Member - Sustainability, HSE & Reserves Committee	3/3			
Overall attendance	100%			
Common Shares held⁽¹⁾				
Common Shares	Total Value⁽²⁾	Total Annual Cash Retainer⁽³⁾	Required Value of Share Ownership	Meets Share Ownership Guidelines⁽⁴⁾
63,790	\$137,149	\$45,000	\$135,000	Yes

Mark Rollins				
Independent Director Director since: October 8, 2021 Vaud, Switzerland Age: 59 Votes for at 2022 AGM: 11,347,921 (98.12%)		Key Skills and Experience Mr. Rollins' career spans more than 33 years in the oil and gas industry 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. 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.		
Professional Experience				
<ul style="list-style-type: none"> - Non-Executive Chairman of Beacon Energy plc (Formerly Advance Energy plc) since February 2020. - Non-Executive Director of Roquefort Therapeutics plc (United Kingdom) from March 2021 to April 2022. - CEO and Chairman of the Executive Board of Ukrnafta (Ukraine) from 2015 to 2019. - Former Senior Vice President of BG Group plc (United Kingdom) from 2008 to 2015. 				
Board and committee membership and attendance since January 1, 2022		Other public company boards		
Independent Director	10/10	Beacon Energy plc (United Kingdom)		
Member - Governance and Human Resources committee	3/3			
Chair - Sustainability, HSE & Reserves Committee	3/3			
Overall attendance	100%			
Common Shares held ⁽¹⁾				
Common Shares	Total Value ⁽²⁾	Total Annual Cash Retainer ⁽³⁾	Required Value of Share Ownership	Meets Share Ownership Guidelines ⁽⁴⁾
151,000	\$324,650	\$45,000	\$135,000	Yes

Anthony Marino				
President and Chief Executive Officer and Non-Independent Director Officer and Director since: October 8, 2021 Alberta, Canada Age: 63 Votes for at 2022 AGM: 11,347,921 (98.12%)		Key Skills and Experience 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 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.		
Professional Experience				
<ul style="list-style-type: none"> - President and CEO of Tenaz since October 2021. - Chairperson of the Supervisory Board of Naftogaz of Ukraine since February 2023. - President and CEO of Vermilion Energy Inc. from 2016 to May 2020, President and COO from 2014 to 2016, and COO from 2012 to 2014. - Former President and CEO of Baytex Energy Corp. and Dominion Exploration Canada Ltd. 				
Board and committee membership and attendance since January 1, 2022		Other public company boards		
Board Member	10/10	N/A		
Overall attendance	100%			
Common Shares held ⁽¹⁾				
Common Shares	Total Value ⁽²⁾	Total Annual Base Salary ⁽³⁾	Required Value of Share Ownership	Meets Share Ownership Guidelines ⁽⁴⁾
920,000	\$1,978,000	\$232,000	\$696,000	Yes

Notes:

- (1) The Common Shares held are securities of Tenaz beneficially owned, directly or indirectly, based upon information furnished to Tenaz by the nominees and are outstanding as of April 27, 2023.
- (2) Total value is based on the closing price on the TSX of \$2.15 per Common Share as at December 30, 2022.
- (3) Pursuant to the Company's Director Share Ownership Guidelines, non-management directors are required to hold Common Shares with a value of not less than three times the annual fees to the director. For the President and CEO the ownership guideline is a multiple of annual salary. Annual cash retainers and annual base salary are both presented for the annual amounts applicable for the ensuing year.
- (4) Non-executive directors are expected to achieve the Director Share Ownership Guideline holding within three years of their election to the appointment to the Board.

Director Share Ownership Guidelines

On April 22, 2022, Tenaz implemented new Director Share Ownership Guidelines for non-management directors. Pursuant to the Director Share Ownership Guidelines, non-management directors are required to hold Common Shares with a value of not less than three times the annual cash retainer fees for each director. The value of the Common Shares will be based on the greater of (i) the closing price of the Common Shares as at December 31 in the year prior to such determination; and (ii) the average purchase price of the Common Shares in respect of each director. New directors will be expected to achieve this level within three years of their election or appointment to the Board.

The following table sets out the value of the holdings of each of Tenaz's non-executive directors based on the greater of: (i) the closing price of the Common Shares on the Toronto Stock Exchange (the "TSX") on the last trading day of the year-ended December 31, 2022, being \$2.15 per Common Share on December 30, 2022; and (ii) the average purchase price of the Common Shares in respect of each director.

Name	Common Shares (#)	Value of Common Shares ⁽¹⁾ (\$)	Total Value of Share Ownership Required ⁽²⁾ (\$)	Meets Share Ownership Requirements ⁽³⁾
Marty Proctor	111,200	239,080	180,000	Yes
Anna Alderson	63,790	137,149	135,000	Yes
John Chambers	167,450	360,018	135,000	Yes
Mark Rollins	151,000	324,650	135,000	Yes

Notes:

(1) Value of Common Shares is based on the closing price on the TSX of \$2.15 per Common Share as at December 30, 2022.

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

(3) Non-executive directors are expected to achieve the Director Share Ownership Guideline holding within three years of their election to the appointment to the Board.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no proposed director of the Company (nor any holding company of any such persons):

- is, as at the date of this Information Circular, or has been, within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, that:
 - was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- is, as at the date of this Information Circular, or has been, within ten (10) years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any

proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

In addition, no proposed director of the Company has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

DIRECTOR COMPENSATION

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

Director compensation is determined in light of current market conditions and competitive practices.

Director Compensation Discussion

The GHR Committee reviews the compensation paid to directors against industry practices for oil and gas companies of similar business model, size and scope. Although director compensation will be targeted at the median of the market over the long-term, at present our directors are compensated in the lowest quartile of our peer group.

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

Independent Board members, being all of the members of the Board other than the President and Chief Executive Officer ("CEO"), currently receive annual director fees payable in cash. In addition, Options were previously granted to directors in accordance with the Stock Option Plan. Under the Omnibus Tenaz Incentive Plan ("**TIP**"), directors will be issued DSUs annually and may be awarded RSUs (and related Dividend-Equivalent Rights), but will not receive any performance-based awards.

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

Directors' Summary Compensation Table

The following table sets forth the details of compensation earned by the Company's independent directors during the Company's financial year ended December 31, 2022:

Name and principal position	Fees earned (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total compensation (\$)
Marty Proctor Chair	40,000	-	-	-	40,000
Anna Alderson Director	30,000	-	-	-	30,000
John Chambers Director	30,000	-	-	-	30,000
Mark Rollins Director	30,000	-	-	-	30,000

Notes:

(1) Effective January 1, 2023 retainer fees for the independent directors and Chair are \$45,000 and \$60,000, respectively.

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth, for each of the Company's independent directors, all option-based awards outstanding at the end of the year ended December 31, 2022. As at the end of the year ended December 31, 2022 there were no outstanding share-based awards to independent directors.

Name and principal position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Marty Proctor Chair	60,000	2.70	22-Nov-26	-	-	-	-
Anna Alderson Director	50,000	2.70	22-Nov-26	-	-	-	-
John Chambers Director	30,000	2.70	22-Nov-26	-	-	-	-
Mark Rollins Director	50,000	2.70	22-Nov-26	-	-	-	-

Note:

(1) Calculated based on the closing price of the Common Shares on December 31, 2022 on the TSX of \$2.15 and the exercise price of the Options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of the Company's independent directors the value of awards which vested during the year ended December 31, 2022 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2022.

Name and principal position	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Marty Proctor Chair	-	-	-
Anna Alderson Director	-	-	-
John Chambers Director	-	-	-
Mark Rollins Director	-	-	-

Note:

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

Incentive Plan Awards to be issued during 2023

Beginning in 2023 the Company's non-executive directors ("**NEDs**") will receive share awards in the form of Deferred Share Units ("**DSUs**") and/or Restricted Share Units ("**RSUs**") granted under the TIPH as a component of annual compensation. The following is a summary of the DSUs and RSUs. Capitalized terms referred to in the following summary that are not otherwise defined have the same meaning as in the TIP. A copy of the TIP is available on the Company's website.

RSUs

Each RSU which will consist of the right to receive one Common Share as at the date of redemption subject to certain restrictions. Each RSU shall be evidenced by an Award Agreement containing the RSU vesting provisions and such conditions or restrictions imposed by the Board and such other terms and conditions which are not inconsistent with the Plan as the Company. At the time of grant of a RSU, the Board shall specify the year of service of the Participant in respect of which the RSU is granted. Redemption of RSUs occurs on the date that is no later than December 15 of the third year following the end of the relevant RSU Service Year as determined by the Board in its sole discretion; RSUs that have vested in accordance with the provisions of the applicable Award Agreement shall be redeemed with one Common Share issued from the treasury of the Company to the Participant or the Participant's Beneficiary, as applicable, for each vested RSU.

If the Company does not have sufficient Common Shares pursuant to the Treasury Reserve to redeem all RSUs in Common Shares, the Company may determine which Participants receive Common Shares issued from the Treasury Reserve (if any), and the Company shall, in the Board's sole discretion, redeem such remaining RSUs in cash (equal to the Fair Market Value (as of the RSU Redemption Date) of the Common Shares otherwise deliverable), through market purchases of Common Shares, or a combination thereof.

If the RSU Redemption Date for RSUs occurs during a Blackout Restriction Period applicable to the relevant Participant then payment in respect of the RSUs shall be made by delivering cash (equal to the Fair Market Value (as of the RSU Redemption Date) of the Common Shares otherwise deliverable), provided that, if the Board determines in its sole discretion (outside of a Blackout Restriction Period) to settle the RSUs in

Common Shares and such determination does not result in the extended RSU Redemption Date being later than December 31 of the third year after the end of the relevant RSU Service Year, then the RSU Redemption Date for the RSUs shall be the date that is the 10th business day after the expiry date of the Blackout Restriction Period.

DSUs

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

Each DSU shall be evidenced by an Award Agreement containing such conditions or restrictions imposed by the Board and such other terms and conditions not inconsistent with the Plan as the Company, in its sole discretion, may determine appropriate. An Account, to be designated as a "Deferred Share Unit Account" ("**DSU Account**") shall be maintained by the Company for each Participant. The DSU Account will be credited with the DSUs granted to a Participant as of the date of grant of the DSUs and all such DSUs shall vest immediately.

Notwithstanding any other provision of the Plan, no payment shall be made in respect of a DSU until after the earliest time of: (i) the Participant's death; or (ii) the latest time that the Participant ceases to be a director of the Company or any Affiliate (such time, the "**Triggering Event**").

After the occurrence of a Triggering Event in respect of a Participant, on December 15 of the calendar year commencing immediately after the date of the Triggering Event, or on such other earlier date determined by the Board, in its sole discretion, all vested DSUs credited to the Participant's DSU Account shall be redeemed and, subject to Section 9(i) of the TIP, one Common Share shall be issued from treasury of the Company to the Participant or the Participant's Beneficiary, as applicable, for each vested DSU. If the Company does not have sufficient Common Shares pursuant to the Treasury Reserve to redeem DSUs in Common Shares, the Company shall redeem such DSUs in cash (equal to the Fair Market Value of such Common Shares as at the DSU Redemption Date), through market purchases of Common Shares, or a combination thereof. All payments in respect of a DSU following the applicable DSU Redemption Date shall, be made no later than December 31st of the calendar year commencing immediately after the occurrence of the Triggering Event.

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

CORPORATE GOVERNANCE DISCLOSURE

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

Board of Directors

The Board has determined that the following four directors of the Company are independent:

- Marty Proctor
- Anna Alderson
- John Chambers
- Mark Rollins

Anthony Marino is not independent as he is an officer of the Company.

Directorships

The following current directors are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Director Positions held with Other Reporting Issuers
Marty Proctor	Director of ARC Resources Ltd. Director of Athabasca Oil Corp. Director of GreenFirst Forest Products Inc.
Mark Rollins	Non-Executive Chairman of Beacon Energy plc (United Kingdom).

Orientation and Continuing Education

Due to the size of the Board, no formal program currently exists for the orientation of new directors. Existing directors provide orientation and education to new members on an informal and ad hoc basis. New directors of the Company will be given a copy of the terms of reference for the Board, and each of the Audit Committee, GHR Committee, and Sustainability, HSE, and Reserves Committee, Guidelines for Committees and a presentation will be made by management to new directors regarding the nature and operations of the Company's business.

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

During the first quarter of 2023, the Board attended a site visit to the Leduc Woodbend field. Viewing our operations firsthand is an important part of orientation and the overall governance process. The insights gained from interaction with field staff and observation of the facilities allow for a more effective review of future investments and disclosures.

Ethical Business Conduct

The Board has adopted a Code of Conduct and Business Ethics (“Code”) applicable to all members of the Company, including directors, officers and employees. Each director, officer and employee of the Company has been provided with a copy of the Code. The Code can be found on the “Governance” section of the Company’s website at www.tenazenergy.com.

The Board has also adopted a Whistleblower Policy wherein employees, consultants and external stakeholders of the Company are provided with a mechanism by which they can raise concerns in a confidential and anonymous process.

Nomination of Directors

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

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

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

Compensation

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

Board Committees

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

Audit Committee

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

Governance and Human Resources Committee

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

In addition, the GHR Committee has the responsibility for the following in respect of governance matters:

- Review the Company’s structures and procedures to ensure the Board functions independently of management.
- Review periodically, for Board approval, a Board Manual outlining the policies and procedures by which the Board will operate and the terms of reference for the Board and Committees.

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

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

Sustainability, HSE, and Reserves Committee

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

Sustainability

- Oversee the development and evolution of the Company's policies, practices, and strategies relating to sustainability matters.
- Review and assess whether the Company's sustainability initiatives are effectively implemented, comply with applicable legislation, conform with industry standards and support the Company's business objectives.
- Review the Company's sustainability performance and the development of internal and external key performance indicators.
- Review the Company's disclosure, reporting and external communication practices pertaining to sustainability issues.
- Review emerging risks and opportunities associated with sustainability issues as they relate to the Company's operations.
- Assist the Board in respect of matters related to sustainability.

Health, Safety & Environment

- Oversee the development and evolution of the Company's policies, practices, and strategies related to health, safety, and environmental protection.
- Review and assess whether the Company's Health, Safety & Environment Policies are effectively implemented, comply with applicable legislation and conform with industry standards.
- Review the Company's health, safety, and environmental activities and performance, including:

- performance and compliance with codes, standards, regulations and applicable laws;
 - significant external or internal audit reports;
 - emerging trends, issues and regulations that could materially impact the Company's business; and
 - outstanding litigation as it relates to environment, health or safety matters.
- Review the insurable risks related to health, safety and the environment and evaluate cost/insurance benefits associated with those risks; concerning insurance, the Committee shall consult with and review the recommendations of the Audit Committee.
 - Assist the Board in respect of matters related to health, safety, and the environment.

Reserves

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

Assessments

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

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

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

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

Definitions of competencies:

Executive Leadership: Experience as a CEO or senior officer for an organization of a size and complexity similar or greater than Tenaz, including an understanding in the differences in operating in markets and regulatory regimes outside domestic markets

Capital Markets: General experience with, or executive responsibility for, executing capital market transactions

Managing / Leading Growth: Experience as a CEO or senior officer in developing business strategies and leading significant growth through mergers and acquisitions

Oil and Gas Operations: Experience as a CEO or senior officer in various aspects of oil and gas development and operations, including exploration and production

Reserves Evaluation: General experience with or executive responsibility for oil and gas reserve evaluations.

Health, Safety and Environment: General experience with, or executive responsibility for, or knowledge of, industry regulations and best practices related to workplace health, safety and environment matters

Governance: Experience as a senior executive or Board member of a Canadian operation (public, private or non-profit sectors) that provides a good understanding of the requirements of good corporate governance

Financial Literacy: Ability to critically read and analyze financial statements

Financial Experience: Senior executive experience in financial accounting, reporting, internal controls, and corporate finance

Risk Management: General experience with, or executive responsibility in, evaluating and managing the variety of risks faced by an organization

Human Resources and Compensation: Management or executive experience with responsibility for human resources and compensation, benefits and long-term incentive programs with specific experience in executive compensation

Sustainability (ESG): Management or executive experience with, or knowledge of, risks and opportunities related to a broad range of environment impacts, including climate-related issues such as emissions reduction, regulatory frameworks and renewable energy, and social impacts.

Equity, Inclusion and Diversity: Management or executive experience with, or knowledge of, goal setting and implementation of equity, inclusion and diversity initiatives.

Regulatory, Legal and Public Policy: Management or executive experience with, or knowledge of, setting strategy associated with matters associated with national and regional regulatory organizations.

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

Diversity and Representation

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

Other Governance Information

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

STATEMENT OF EXECUTIVE COMPENSATION

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

Compensation Strategy and Governance

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

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

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

- Recommend a performance evaluation process for the President and CEO, and, when approved, lead the implementation of the process, and approve and recommend compensation based on this evaluation to the Board for approval.
- Review and recommend for Board approval short-term and long-term corporate performance incentive plan scorecards.
- Establish peer group selection criteria and recommend for Board approval.
- Determine the corporate performance and executive compensation peer group and review the appropriateness of the peer group at least annually, against agreed upon selection criteria.
- Review and recommend to the Board for approval the compensation philosophy, guidelines and plans for the Company's employees and executives.
- In consultation with the President and CEO, review and make recommendations to the Board regarding the compensation, incentives, bonuses and benefit plans for the executive officers, other than the President and CEO.
- Review the incentive compensation arrangements with the President and CEO including:
 - designation of the employees who will participate; and
 - affordability and dilution considerations.
- Review and endorse major changes in the organizational structure of management as proposed.
- Review with the President and CEO any significant public service commitments and/or outside Board appointments being considered by the President and CEO.
- During 2022 the management team, together with the GHR Committee, reviewed industry practices and selected an appropriate compensation structure for both the executive officers and directors to reflect the current organization and adapt to its growing size and scale over time.

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

To accomplish these goals, the current elements of the compensation program for executive officers consist of (i) base salary; (ii) bonus payments under a discretionary bonus plan; (iii) PSUs under the Stock Option Plan and TIP; and (iv) other typical benefits and any perquisites. The TIP, adopted in 2022, replaces the Stock Option Plan with no further Options grants to be awarded under the Stock Option Plan. Outstanding Options under the Stock Option Plan will continue to be governed by the Stock Option Plan.

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

Base Salary

The salary of each executive officer is intended to be set at levels comparable to those at similar market capitalization entities operating in both the Calgary market and internationally. The purpose of the base salary is to create a base level of compensation for executive officers while maintaining the general and administrative expenses of the Company at relatively low levels. Current base salaries of the President and CEO and the CFO continue to be in the lowest quartile of the same positions in companies within Tenaz's peer group.

Short-term Incentive Compensation - Cash Bonuses

For 2022, the Company continued with a discretionary bonus plan pursuant to which the Board awarded annual cash bonuses to executive officers and employees based on corporate performance. The awarded bonus for 2022 was in-line with the percentages of salary targeted for executive and non-executive employees in their respective compensation arrangements.

In evaluating 2022 company and executive officer performance, the GHR Committee determined that the executive team's accomplishments included, but were not limited to, the following:

- In 2022, the management team and employees of the Company executed a dual mandate of implementing operational plans in Canada and sourcing of strategic international acquisitions. Tenaz made significant advances in the critical areas of developing its production base in Canada, closing its first international acquisition and strengthening organizational capability. These three areas are important to both the near-term and long-term performance of Tenaz.
- Our Canadian asset base is comprised by a high-quality oil project at Leduc-Woodbend. Technical advancements were achieved in key geologic, engineering and operational inputs to the development program. An improved geologic description and changes to frac design made it possible to increase the length of wells drilled and simultaneously improve frac geometry and placement success. Lateral lengths of over two miles were reached in the 2022 drilling program, while simultaneously achieving frac placement efficiency of nearly 100%.
- The ability to drill longer laterals and confidently place more frac stages substantially increased capital efficiency, as evidenced by a very strong 2P F&D¹ cost (including FDC²) of \$14.69 per boe, with a corresponding Recycle Ratio³ of 2.9 times. In addition, the Leduc-Woodbend field is now prepared for enhanced long-term growth through new land acquisition and increased production scale, with related reductions in unit cost expected in 2023 and beyond.
- The Company initiated, progressed and, in some cases, discontinued a number of acquisition processes within its geographic regions of focus. Tenaz management successfully differentiated between desirable and sub-optimal transactions, adapting to changed circumstances as certain deals progressed. In one case, a potential merger with SDX Energy, the Company terminated its acquisition offer after a Scheme of Arrangement became impossible and only the less-desirable path of a Takeover Offer remained. Both

¹ Finding and development cost ("F&D") is the capital expenditures incurred by the company during a period plus the change in FDC⁽²⁾ required to bring proved undeveloped and developed reserves into production. The F&D or FD&A number is calculated by dividing the identified capital expenditures by the applicable reserve additions including extensions, infills, revisions, acquisitions and disposals, and economic factors, after changes in FDC⁽²⁾ costs.

² Future development capital ("FDC") are the total development costs deducted in the estimation in Tenaz's independent reserve report of future net revenue attributable to the Company's proved reserves and proved plus probable reserves.

³ Recycle Ratio is calculated by dividing operating netback (a non-GAAP measure) by the cost of adding reserves.

Tenaz's audited consolidated financial statements, as well as Management's Discussion and Analysis for the year ended December 31, 2022 and annual information form ("AIF") as of December 31, 2022, are available on SEDAR at www.sedar.com and on Tenaz's website at www.tenazenergy.com. The AIF includes Tenaz's year-end 2022 reserves summary.

discipline and flexibility are required in a successful acquisition-oriented strategy, and Tenaz management illustrated both in this case.

- Our Netherlands acquisition, which closed in December 2022, was directly in line with our overall strategy of making high-return acquisitions primarily targeting the European and Middle East North Africa (“MENA”) regions. In this case, the acquired private company comprised both upstream and midstream offshore assets, with consideration of assuming decommissioning liability. The transaction diversifies our production base, creating an approximately one-third weighting to high-value European natural gas at present. In addition, the acquired private company holds an 11.3% ownership in Noordgasttransport B.V. (“**NGT**”), which owns one of the largest gas-gathering and processing networks in the Dutch North Sea. As a result of the acquisition, Tenaz now also has exposure to a large potential Carbon Capture and Storage project. With no share issuance, this acquisition enhances our per-share metrics of production, reserves, FFO and NPV10, and advances our long-term environmental sustainability potential.
- Combining the acquisition of the Netherlands assets and organic development activities in Canada, FD&A⁴ cost was \$9.53 per boe (including FDC) at the Total Proved + Probable (“**2P**”) reserves level, resulting in a recycle ratio of 4.4x.
- Based on third-party year-end reserve evaluation, 2P reserves increased 20%, reflecting a reserve replacement ratio of 618%. 2P reserves at year-end totaled 13.6 million boe, and after-tax NPV10 increased 94% to \$141.1 million (\$5.02 per share).
- Tenaz management has also laid the groundwork for future acquisitions by expanding and improving our pipeline of potential transactions. While there are no guarantees that acquisitions will be closed from this set of prospects, we think that the current pipeline is of higher quality and offers a greater probability of transacting than at any time in the past.
- Organizational capability is an essential requirement for success in both our organic and acquisition activities. During 2022 and early 2023, there were several key personnel additions to our production engineering and acquisition evaluation technical teams. The new production engineering personnel are among the key drivers of the capital efficiency improvements in Leduc-Woodbend. In the acquisition side of the business, other new engineering hires give increased capability to evaluate more transactions as we scour the target regions for the highest return projects. Our goal is to take the controllable risk out of the M&A process to the largest extent possible, and these enhanced organizational capabilities further that objective.
- Tenaz is today a small-capitalization public company with longer-term mid-capitalization aspirations. The Company has established a combination of investor relations activities that include elements suitable both to mid-cap and small-cap companies. Tenaz is employing disclosure quality and 1x1 institutional shareholder outreach more traditional to a mid-cap company, and simultaneously embracing retail and social media-based vectors that are reflective of today’s market environment for small-cap public companies.

⁴ Finding, developing and acquisition costs (“**FD&A**”) includes the change in FDC required to bring proved undeveloped and developed reserves into production. The FD&A number is calculated by dividing the identified capital expenditures by applicable reserve additions including extensions, infills, revisions, acquisitions and disposals, and economic factors, after changes in FDC costs.

Tenaz’s audited consolidated financial statements, as well as Management’s Discussion and Analysis for the year ended December 31, 2022 and annual information form (“AIF”) as of December 31, 2022, are available on SEDAR at www.sedar.com and on Tenaz’s website at www.tenazenergy.com. The AIF includes Tenaz’s year-end 2022 reserves summary.

Long-term Incentive Compensation

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

There were no new long-term awards awarded to officers of the company during 2022. During 2021, the Company granted Options pursuant to the existing Stock Option Plan to officers following the Reorganization⁵. All of these Options granted to the officers vest at one-third on the first, second and third anniversary of the date of grant, expire five years from the date of grant and have an exercise price based on the closing price of the Common Shares on the TSX on the trading day immediately prior to the grant date.

Subsequent to the grant of these Options, the Board approved the TIP which provides for the issuance of share-based long-term incentives. The TIP and awards made thereunder replaces the Stock Option Plan and Stock Options as long-term incentive compensation awards.

The types of Awards available under the TIP include Options, RSUs, PSUs, DSUs and Dividend-Equivalent Rights. Previous grants of option-based awards are and will be taken into account when considering new grants under the TIP. Management, and staff, will henceforth be awarded PSUs. These awards will have a multiplicative performance factor applied to the base awards ranging from a multiplier of between zero and two. After application of the multiplier, realized awards may be as low as zero, or as high as twice the granted number of Common Shares. The purpose of the performance factor is to adjust the number of vested awards to align compensation with performance in achieving corporate objectives as measured through a performance scorecard. The Scorecard adopted by the Board will be used to determine the performance factor applicable to the PSUs for the awards issued during 2023 and future periods. A summary of the scorecards can be found under the heading "*Performance Scorecards and Peer Group*".

Other Benefits and Perquisites

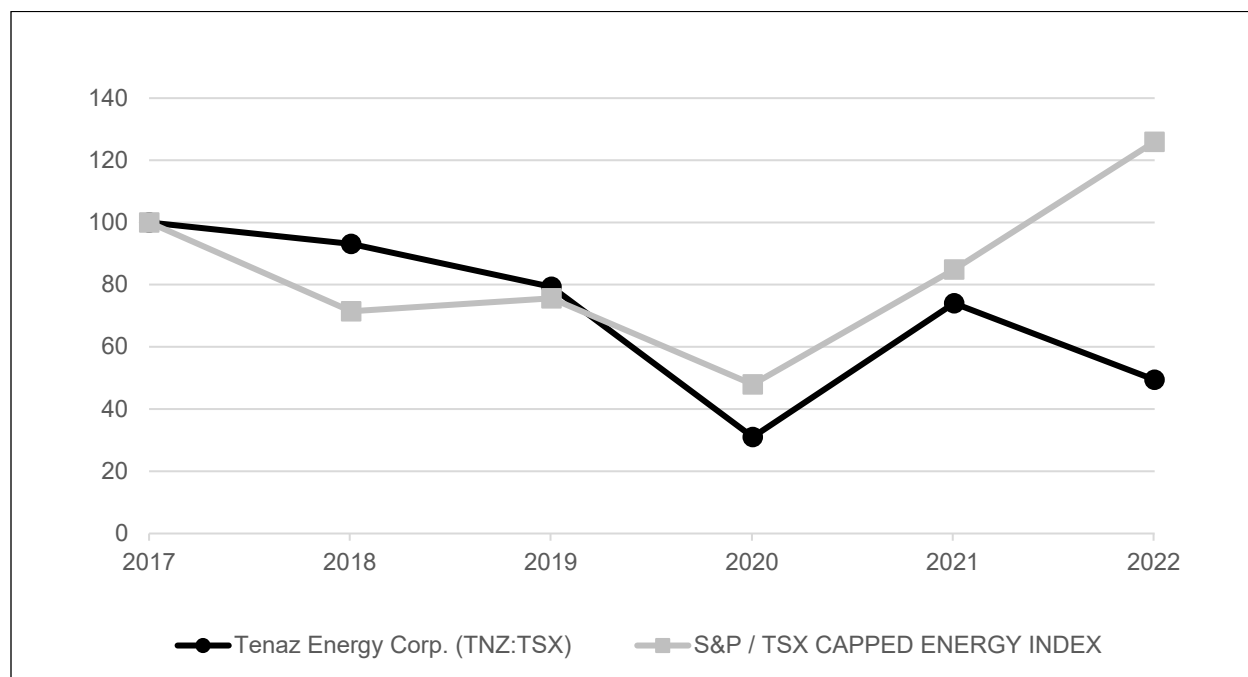
The executive officers also participate in other group benefit plans and perquisites (life, disability, health and dental insurance, parking and savings plan) that are also available to all employees of the Company, and which are comparable to those offered to industry peers.

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

⁵ On August 30, 2021, the Company entered into the Investment Agreement with a group of investors led by Anthony Marino, Michael Kaluza, Bradley Bennett, Jonathan Balkwill, Marty Proctor, and Mark Rollins which provided for, among other things: (i) a private placement of units of the Company for aggregate gross proceeds of \$29.5 million; (ii) a reconstitution of the Board and appointment of a new management team; and (iii) a change of the Company's name from "Altura Energy Inc." to "Tenaz Energy Corp." (collectively, the "**Reorganization**").

Performance Graph

The following graph compares the change in the cumulative total Shareholder return for the five most recently completed financial years, of a \$100 investment in the Common Shares, with the cumulative total return of the S&P/TSX Capped Energy Index for the period commencing January 1, 2018 and ending December 31, 2022.



The trading price of the Common Shares on the TSX is subject to fluctuation based on a number of factors, many of which are outside the control of the Company. These include, but are not limited to, fluctuations and volatility in commodity prices for crude oil and natural gas, global economic conditions, changes in government, environmental policies, legislation and royalty regimes, and other factors, some of which are disclosed and discussed under the heading “*Risk Factors*” in the Company’s annual information form dated March 21, 2023.

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

Compensation Governance and Risk Management

Short Sales, Puts, Calls and Options

The Company’s Corporate Disclosure, Confidentiality and Trading in Securities by Directors, Officers and Employees Policy (Appendix A to the Company’s Code of Business Conduct and Ethics (the “**Code**”)) contains anti-hedging provisions.

Directors, officers and employees of the Company shall not knowingly sell, directly or indirectly, a security of the Company if such person selling such security does not own or has not fully paid for the security to be sold. Directors, officers and employees of the Company shall not, directly or indirectly, engage in any of the following transactions: (i) buying or selling a call or put in respect of a security of the Company; (ii) selling the Company's securities short; or (iii) purchasing any other financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of securities of the Company.

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

Risk Adjusted Compensation

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

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

Recoupment of Incentive Compensation

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

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

Officer Share Ownership Guidelines

Officer Share Ownership Guidelines were implemented on April 22, 2022 for the Company's executive officers. Mr. Anthony Marino, the President and CEO, is subject to share ownership requirements which require him to hold Common Shares with a value of not less than three times his annual base salary. All other executive officers are required to hold Common Shares with a value of not less than one times such executive officer's annual base salary. The value of the Common Shares will be based on the greater of: (i) the closing price of the Common Shares as at December 31 in the year prior to such determination; and (ii) the average purchase price of the Common Shares in respect of each executive officer. Any new executive officer will be required to achieve this level within three years of such executive officer's appointment as an executive officer of the Company.

The following table sets out the value of the holdings of each of Tenaz's executive officers based on the greater of: (i) the closing price of the Common Shares on the Toronto Stock Exchange (the "TSX") on the last trading day of the year-ended December 31, 2022, being \$2.15 per Common Share on December 30, 2022; and (ii) the average purchase price of the Common Shares in respect of each officer.

Officer and Position Held with the Company	Equity Ownership Guideline		Shareholdings			Guideline Met or Investment Required to Meet Guideline ⁽²⁾⁽³⁾
	Multiple of Annual Base Salary	Amount of Annual Base Salary (\$)	Common Shares Held as at December 31, 2022	Value of Equity Holdings Held as at December 31, 2022 (\$) ⁽¹⁾	Holdings as Multiple of Base Salary	
Anthony Marino President, CEO and Director	x3	231,000	920,000	1,978,000	x8.6	Guideline Met
Bradley Bennett CFO	x1	216,000	179,100	385,065	x1.8	Guideline Met
Michael Kaluza COO	x1	215,000	222,300	477,945	x2.2	Guideline Met
Jennifer Russel-Houston VP, Geoscience	x1	201,000	111,200	239,080	x1.2	Guideline Met
Jonathan Balkwill VP, Business Development	x1	200,000	119,000	255,850	x1.3	Guideline Met

Notes:

(1) Valued as at December 31, 2022 based on the closing price on the TSX of \$2.15 per Common Share.

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

(3) Executive officers all participated in the Non-Brokered Private Placement of Units in October of 2021 and as a result also hold outstanding Warrants which once fully vested would give rights to acquire additional Common Shares totaling 1,550,500 Common Shares. These Warrants do not count toward Ownership Guidelines.

Named Executive Officers

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

Summary Compensation Table

The following table sets forth the compensation paid to the Named Executive Officers for the years ended December 31, 2022, 2021 and 2020:

Name and principal position	Year	Salary (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		All other compensation ⁽³⁾ (\$)	Total compensation (\$)
				Annual incentive plans ⁽²⁾	Long-term incentive plans		
Anthony Marino President, CEO and Director ⁽⁴⁾	2022	229,500	-	340,000	-	19,303	588,803
	2021	52,067	558,522	80,000	-	2,830	693,419
	2020	-	-	-	-	-	-
Bradley Bennett CFO	2022	214,500	-	240,000	-	23,606	478,106
	2021	48,596	422,666	65,000	-	3,768	540,030
	2020	-	-	-	-	-	-
Michael Kaluza COO	2022	213,750	-	185,000	-	20,556	419,306
	2021	48,596	422,666	60,000	-	2,194	533,456
	2020	-	-	-	-	-	-
Jennifer Russel-Houston VP, Geoscience	2022	199,500	-	200,000	-	17,709	417,209
	2021	45,125	271,713	50,000	-	2,580	369,418
	2020	-	-	-	-	-	-
Jonathan Balkwill VP, Business Development	2022	198,750	-	175,000	-	17,668	391,418
	2021	45,125	271,713	50,000	-	2,580	369,418
	2020	-	-	-	-	-	-

Notes:

(1) Option-based awards reflect the total fair market value on the date of grants, using the Black-Scholes option pricing model, for Options granted during the year under the Stock Option Plan, regardless of vesting conditions. The grant date fair values were determined in accordance with International Financial Reporting Standards. This methodology was chosen in order to be consistent with the accounting fair value used by the Company in its financial statements and since Black-Scholes is a commonly used methodology for valuing options which provides an objective and reasonable estimate of fair value. The key assumptions of this valuation include current market price of the stock, exercise price of the option, option term (weighted average expected life), risk-free interest rate, dividend yield of stock and volatility of stock return.

On November 22, 2021, the Company granted options to the NEO's as outlined in the table. The actual assumptions and estimates used for the summary compensation table values were as follows: Fair Value of \$1.51 per Option; Risk-Free Interest Rate of 1.37%; Expected Life of 4 years; Estimated Volatility of 75%; Estimated Forfeiture Rate of 10%; and \$nil Dividend per Share.

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

(3) All other compensation includes savings plan contributions by the Company, other perquisites (parking and group benefits including life, disability, health and dental insurance) and other items as specified. Total other compensation consists of the following:

Executive	Year	Savings Plan	Other Perquisites		Cancelled Options Payout	Termination Pay	Total Other Compensation
			Parking	Health Benefits			
Anthony Marino	2022	11,475	-	7,828	-	-	19,303
	2021	1,875	-	955	-	-	2,830
Bradley Bennett	2022	10,725	5,100	7,781	-	-	23,606
	2021	1,750	1,063	955	-	-	3,768
Michael Kaluza	2022	10,688	5,040	4,828	-	-	20,556
	2021	1,750	212	232	-	-	2,194
Jennifer Russel-Houston	2022	9,975	-	7,734	-	-	17,709
	2021	1,625	-	955	-	-	2,580

Executive	Year	Savings Plan	Other Perquisites		Cancelled Options Payout	Termination Pay	Total Other Compensation
			Parking	Health Benefits			
Jonathan Balkwill	2022	9,938	-	7,730	-	-	17,668
	2021	1,625	-	955	-	-	2,580

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

Incentive Plan Awards

Outstanding Option-based Awards and Share-based Awards

The following table sets forth, for each Named Executive Officer, all option-based awards outstanding at the end of the year ended December 31, 2022. The Company did not have any share-based awards outstanding to NEO's or Directors at the end of the most recently completed financial year.

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

Notes:

(1) Calculated based on the closing price of the Common Shares on December 31, 2022 on the TSX of \$2.15 and the exercise price of the Options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each NEO, the value of option-based awards which vested during the year ended December 31, 2022 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2022. The Company did not have any share-based awards outstanding to NEO's or directors at the end of the most recently completed financial year.

Name and principal position	Option-based awards – Value vested during the year⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year⁽²⁾ (\$)
Anthony Marino President and CEO	-	-	340,000
Bradley Bennett CFO	-	-	240,000
Michael Kaluza COO	-	-	185,000
Jennifer Russel-Houston VP, Geoscience	-	-	200,000
Jonathan Balkwill VP, Business Development	-	-	175,000

Notes:

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

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

Pension Plan Benefits

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

Termination and Change of Control Benefits

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

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

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

- the merger, amalgamation, consolidation or absorption of the Company with or into any other entity, in each case with respect to which persons who were Shareholders of the Company immediately prior to such merger, amalgamation, consolidation or absorption of the Company do not, immediately thereafter, own voting securities of the merged entity carrying more than 50% of the shares for the election of directors or the votes carried by such securities do not entitle such Shareholders to elect a majority of the board of directors of the merged entity;
- the purchase or acquisition of Common Shares or securities convertible into Common Shares or carrying the right to acquire Common Shares (“**Convertible Securities**”) as a result of which a person, group of persons or persons acting jointly or in concert, or any affiliates or associates of any such person, group of persons or any of such persons acting jointly or in concert (collectively, the “**Holders**”) beneficially own or exercise control or direction over the Common Shares or Convertible Securities such that, assuming after the conversion of the Convertible Securities beneficially owned or controlled by the Holders, the Holders would beneficially own or exercise control or direction over more than 50% of all of the outstanding Common Shares or otherwise have the right to cast more than 50% of the votes attached to all Common Shares, provided that, in the event that there is a question as to whether a Change of Control has occurred in any circumstances, the Board shall determine the matter (provided that the executive shall be entitled to contest such determination through court proceedings or other dispute resolution);
- the election at a Shareholder’s meeting of the Company of a number of directors of the Company, who were not included in the slate for election as directors proposed by the Board and would represent a majority of the Board;
- the appointment of a number of directors which would represent a majority of the Board and which were nominated by any holder of Common Shares or by any group of holders of Common Shares acting jointly or in concert and not approved by the Company’s prior Board; or
- the Board passes a resolution to the effect that, for the purposes of the executive employment agreements, an event comparable to an event set forth in this “change of control” section has occurred.

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

- a materially detrimental change in the executive’s position or duties, title or office, which includes any removal of the executive from, or any failure to re-elect or re-appoint the executive to, any such positions or offices; provided that, such term shall not include:
 - a change consistent with the Company splitting a position into two or more positions based on the demands of such position so long as there is no reduction in the executive’s annual salary or a material reduction in benefits or other remuneration; or
 - a request by the Company for the executive to be employed by one of the Company’s affiliates if such employment would be on substantially the same terms as their employment with the Company (including with respect to geographic location) and there would be no reduction in the executive’s annual salary or a material reduction in benefits or other remuneration;
- any failure by the Company to continue to provide the executive any benefit, bonus, profit sharing, incentive, remuneration or compensation plan, stock ownership or purchase plan, stock option plan, life insurance, disability plan, pension plan or retirement plan in which the executive was entitled to participate in as at the date of the executive employment agreement (or as may be added to or amended to benefit the executive, from time to time) or the taking by the Company of any action materially adversely affecting the executive’s participation in or materially reducing their rights or benefits under or pursuant to any such plan.

The following table sets forth, for each of the NEOs who held their offices on December 31, 2022, the payments that would have been made to such individuals as of December 31, 2022 as a result of the termination of their employment or a change of control.

Name and principal position	Payment made in the event of termination with cause (\$)	Payment made in the event of termination without cause or in the event of both a change of control and good reason (\$)
Anthony Marino President and CEO	-	905,100
Bradley Bennett CFO	-	574,350
Michael Kaluza COO	-	527,750
Jennifer Russel-Houston VP, Geoscience	-	509,100
Jonathan Balkwill VP, Business Development	-	488,750

EQUITY COMPENSATION PLAN INFORMATION

The following sets forth information in respect of Common Shares authorized for issuance under the Company's equity compensation plans as at April 28, 2022.

Plan Category	Number of securities to be issued upon exercise of outstanding Options, warrants and rights (a)	Weighted average exercise price of outstanding Options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Stock Option Plan	1,525,000	2.70	Nil
Tenaz Incentive Plan	1,033,500	Nil	203,687
Total	2,558,500		203,687

Stock Option Plan

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

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

The Stock Option Plan limited the number of Common Shares that could be issued on exercise of Options to a number not exceeding 10% of the number of Common Shares outstanding from time to time. Options that were cancelled, terminated or expired prior to exercise of all or a portion thereof resulted in the Common Shares that were reserved for issuance thereunder being available for a subsequent grant of Options

pursuant to the Stock Option Plan. As the Stock Option Plan was a “rolling” plan, the issuance of additional Common Shares by the Company or the exercise of Options gave rise to additional availability under the Stock Option Plan.

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

Tenaz Incentive Plan

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

PSUs

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

Each PSU shall be evidenced by an Award Agreement containing the PSU vesting provisions and such conditions or restrictions imposed by the Board and such other terms and conditions not inconsistent with the Plan as the Company, in its sole discretion, may determine appropriate. An Account, designated as a "Performance Share Unit Account" ("**PSU Account**"), shall be maintained by the Company for each Participant. The PSU Account will be credited with the PSUs granted to a Participant as of the date of grant of the PSUs. At the time of grant of a PSU, the Board shall specify the year of service of the Participant in respect of which the PSU is granted (the "**PSU Service Year**").

Subject to Section 7 of the TIP, on the date that is no later than December 15 of the third year following the end of the relevant PSU Service Year as determined by the Board in its sole discretion (the "**PSU Redemption Date**"), PSUs that have vested in accordance with the provisions of the applicable Award Agreement shall be redeemed and, subject to Section 9(i) of the TIP, one Common Share shall be issued from the treasury of the Company to the Participant or the Participant's Beneficiary, as applicable, for each such vested PSU. If the Company does not have sufficient Common Shares pursuant to the Treasury Reserve to redeem PSUs in Common Shares, the Company shall, in the Board's sole discretion, redeem such PSUs in cash (equal to the Fair Market Value (as of the PSU Redemption Date) of the Common Shares otherwise deliverable), through market purchases of Common Shares, or a combination thereof. Notwithstanding the foregoing, all payments in respect of a PSU following the applicable PSU Redemption Date shall, subject to Section 6(c)(v) of the TIP, be made no later than December 31st of the third year after the end of the relevant PSU Service Year.

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

The PSUs shall vest based in whole or in part on the Performance Criteria and any applicable performance or other multiplier(s) set forth in the applicable Award Agreement, provided that the maximum of all applicable multipliers (in aggregate) shall not exceed two times. Notwithstanding any other provision of the Plan, but subject to the limits described in Section 3 and Section 4 of the TIP and any other applicable requirements of the Exchange, the Board reserves the right to make, in the applicable Award Agreement or otherwise, any additional adjustments to the number of Common Shares to be issued pursuant to any PSUs if, in the sole discretion of the Board, such adjustments are appropriate in the circumstances having regard to the principal purposes of the Plan and do not extend the PSU Redemption Date in respect of such PSUs to later than December 31st of the third year after the end of the relevant PSU Service Year.

Performance Scorecards and Peer Group

The board has adopted a set of measures compiled into short term incentive and long-term incentive scorecards that provide a framework for incentive compensation.

Short Term Incentive Plan (“STIP”) Scorecard

In the first quarter of 2023 the Board approved the STIP scorecard to be used for compensation years beginning January 1, 2023. The principle elements of the STIP scorecard include a revised set of measures covering the strategic and operational objectives of the Company. The weighted average of the below measures results in a performance factor of between 0 and 2 which sets the company component of the performance scorecard. Employees have a weighting of personal performance and company performance which establishes the overall multiplier. The exception to the weighting between personal and Company performance is the executives which have 100% of the performance measured against the company performance.

STIP Measures

Set forth below are the STIP scorecard measures which will be applied for performance periods beginning January 1, 2023:

Short Term Incentive Scorecard	Weight	Basis	Outcome (Multiplier)			
			Below Target (0x)	Target (1.0x)	Above Target (1.5x)	Maximum (2.0x)
Financial & Operating performance	50%					
Total Shareholder Return (“TSR”) - 1 year	10%	Target	TSR <8%	8% < TSR < 10%	10% < TSR < 15%	TSR > 15%
Production Guidance	10%	Target	Below range	Above lower-end	Above mid-point	Above upper end
Capital Expenditure Guidance	10%	Target	Exceeds upper-end	Below upper-end	Below mid-point	Below lower-end
E&D Capex Payout Ratio	10%	Target	POR > 100%	100% > POR < 90%	90 % > POR < 80%	POR < 80%
Cash Flow per Share	10%	Target	<Prior Year	> Prior year	> Prior year +10%	> Prior Year +20%
HSE & Sustainability	25%					
HSE Metrics	10%	Target	Missed key targets	Achieved most targets	Achieved key targets	Exceeded key targets
Regulatory Compliance	10%	Target	Missed key targets	Achieved most targets	Achieved key targets	Exceeded key targets

Short Term Incentive Scorecard	Weight	Basis	Outcome (Multiplier)			
			Below Target (0x)	Target (1.0x)	Above Target (1.5x)	Maximum (2.0x)
ESG strategy	5%	Target	Missed key targets	Achieved most targets	Achieved key targets	Exceeded key targets
Strategy	25%					
Mergers & Acquisitions	15%		Judgement based on execution of strategy			
Capital access	5%		Judgement based on execution of strategy			
Planning and Strategic initiatives	5%		Judgement based on execution of strategy			

Long Term Incentive Plan (“LTIP”) Scorecard

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

LTIP Measures

Set forth below are the LTIP scorecard measures which will be applied for compensation periods starting January 1, 2023:

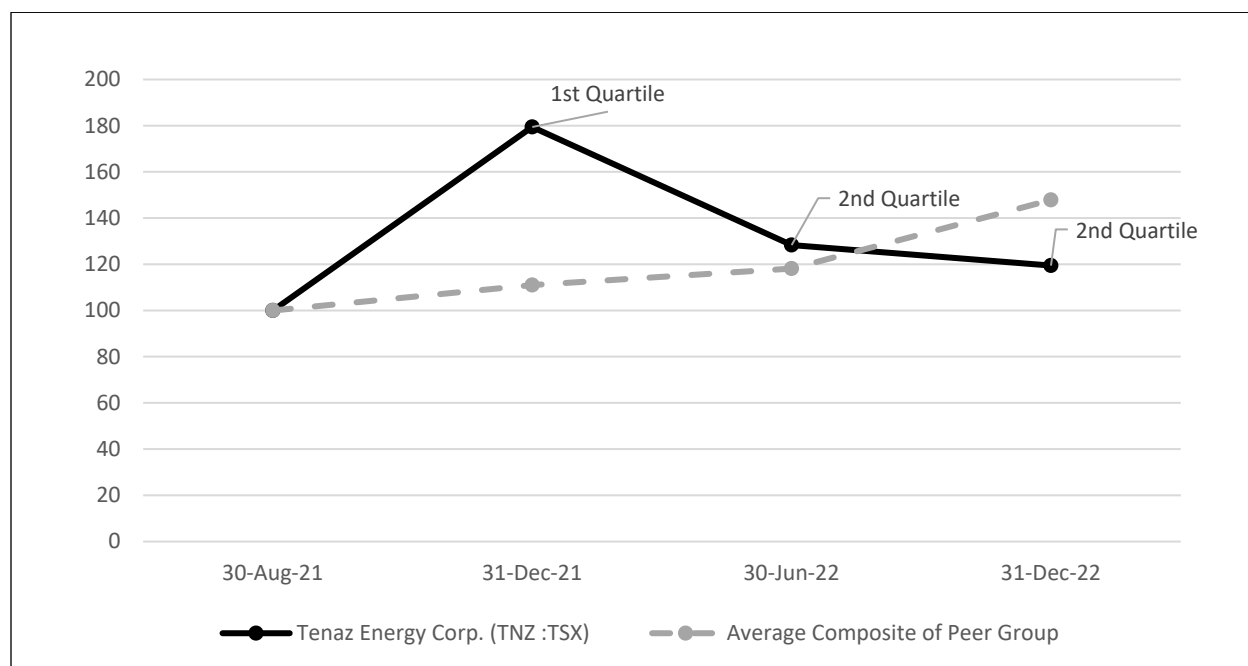
Short Term Incentive Scorecard	Weight	Basis	Outcome (Multiplier)			
			Below Target (0x)	Target (1.0x)	Above Target (1.5x)	Maximum (2.0x)
Public Market Performance	35%					
Total Shareholder Return (Starting Jan 1, 2023)	35%	Peer	Q4	Q3	Q2	Q1
Financial & Operating performance	30%					
2P Operating Recycle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

Peer Group Selection

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

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

The following graph illustrates the change in the cumulative total Shareholder return since the Reorganization of a \$100 investment in the Common Shares, with the composite average cumulative total return of the peer group companies for the period commencing August 30, 2021 and ending December 31, 2022. This period was chosen to reflect performance after announcement of the Reorganization, with the starting share price of Tenaz at the recapitalization at \$1.80 per share, after adjustment for the 10:1 reverse split.



INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

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

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed below, there are no material interests, direct or indirect, of any informed person (including a director, officer, or holder of 10% or more Common Shares of Tenaz), any proposed director, or any known associate or affiliate of such persons in any transactions since the commencement of Tenaz's last completed financial year (being the year ended December 31, 2022) or in any proposed transaction which has materially affected or would materially affect the Company.

AUDIT RELATED DISCLOSURE

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

Composition of the Audit Committee

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

ADDITIONAL INFORMATION

Additional information relating to Tenaz may be found on SEDAR at www.sedar.com under Tenaz's SEDAR profile. Financial information is provided in Tenaz's audited consolidated financial statements for the year ended December 31, 2022 and the related management's discussion and analysis. Copies of Tenaz's financial statements and related management's discussion and analysis are available upon request from the Tenaz's head office at 1100, 605 – 5th Avenue SW Calgary, Alberta T2P 3H5 and on the Company's website at www.tenazenergy.com.

INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR

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

APPENDIX “A”

Tenaz Energy Corp. Terms of Reference for the Audit Committee

I. PURPOSE

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

- A. the integrity of the Corporation’s financial statements;
- B. the Corporation’s compliance with legal and regulatory requirements;
- C. the external auditors’ qualifications and independence and the performance of the audit processes;
- D. the financial information and the internal controls associated with the preparation of information, that will be provided to the shareholders and others;
- E. the Corporation’s risk management, legal compliance and ethics, which management and the Board have established; and
- F. such other matters required by applicable laws and rules of any stock exchange on which the Corporation’s shares are listed for trading.

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

II. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of not fewer than three directors, all of whom are “independent”⁶ 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”⁷, and at least one member shall have “accounting or related financial expertise” as such terms are interpreted by the

⁶ Committee members must be “independent”, as defined in Sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* (“NI 52-110”).

⁷ 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.

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 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.