valeura energy inc.

Notice of Meeting

and

Information Circular

in respect of the

ANNUAL MEETING OF SHAREHOLDERS

to be held on May 9, 2019

March 29, 2019

VALEURA ENERGY INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 9, 2019

TO THE SHAREHOLDERS OF VALEURA ENERGY INC.

NOTICE IS HEREBY GIVEN that an annual meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") in the capital of Valeura Energy Inc. (the "**Corporation**") will be held in the Northcote Room at the Bow Valley Square Conference Centre, Level 3, Bow Valley Square 2, 202-6th Ave. S.W., Calgary, Alberta, at 9:00 a.m. (Calgary time) on May 9, 2019 for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2018 and the report of the auditors thereon;

2. to appoint KPMG LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year;

3. to elect the directors of the Corporation for the ensuing year; and

4. to transact such other business as may properly be brought before the Meeting or any adjournment(s) or postponement(s) thereof.

Shareholders should refer to the information circular accompanying this Notice of Annual Meeting of Shareholders for more detailed information with respect to the matters to be considered at the Meeting.

If you are a registered Shareholder and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and return it in the envelope provided to Computershare Trust Company of Canada, the registrar and transfer agent of the Corporation, at Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by facsimile at 1-866-249-7775, by no later than 9:00 a.m. (Calgary time) on May 7, 2019 or two business days preceding the date of any adjournment or postponement.

If you are not a registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary.

The board of directors of the Corporation has fixed March 29, 2019 as the record date (the "**Record Date**") for the Meeting. Shareholders of record at the close of business on the Record Date are entitled to notice of the Meeting and to vote thereat or at any adjournment(s) or postponement(s) thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting. The transfer books will not be closed.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Timothy R. Marchant*"

Dr. Timothy R. Marchant
Chairman of the Board of Directors
March 29, 2019

INFORMATION CIRCULAR

FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 9, 2019

PURPOSE OF SOLICITATION

This information circular ("Information Circular") is furnished in connection with the solicitation of proxies by the management of Valeura Energy Inc. ("Valeura" or the "Corporation") for use at the annual meeting (the "Meeting") of the holders ("Shareholders") of common shares ("Common Shares") in the capital of Valeura.

The Meeting will be held in the Northcote Room at the Bow Valley Square Conference Centre, Level 3, Bow Valley Square 2, 202-6th Ave. S.W., Calgary, Alberta, at 9:00 a.m. (Calgary time) on May 9, 2019 and at any adjournment(s) or postponement(s) thereof for the purposes set forth in the Notice of Annual Meeting of Shareholders (the "**Notice of Meeting**") accompanying this Information Circular. Information contained herein is given as of March 29, 2019 unless otherwise specifically stated.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of Valeura who will not be additionally compensated therefor. Brokers, nominees or other persons holding Common Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The costs of soliciting proxies will be borne by Valeura.

Valeura is not using "notice-and-access" to send its proxy-related materials to Shareholders, and paper copies of such materials will be sent to all Shareholders. Valeura will not send proxy-related materials directly to non-objecting Beneficial Holders (as defined herein) and such materials will be delivered to non-objecting Beneficial Holders through their intermediaries.

APPOINTMENT AND REVOCATION OF PROXIES

Enclosed herewith is a form of proxy for use at the Meeting. The persons named in the form of proxy are directors and/or officers of Valeura. **A Shareholder submitting a proxy has the right to appoint a nominee (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the enclosed form of proxy by inserting the name of the chosen nominee in the space provided for that purpose on the form of proxy and by striking out the printed names.**

A form of proxy will not be valid for the Meeting or any adjournment(s) or postponement(s) thereof unless it is signed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. The proxy, to be acted upon, must be deposited with Computershare Trust Company of Canada, the registrar and transfer agent of the Corporation, at Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by facsimile at 1-866-249-7775, by no later than 9:00 a.m. (Calgary time) on May 7, 2019 or two business days preceding the date of any adjournment or postponement.

A Shareholder who has given a proxy may revoke it prior to its use, in any manner permitted by law, including by an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney thereof and deposited at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, at which the proxy is to be used or with the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of Valeura as the registered Shareholders can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of Valeura. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scanable voting instruction form in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to them by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll free telephone number or visit Broadridge's dedicated voting website at www.proxyvote.com to vote the Common Shares held by the Beneficial Shareholder. 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 form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for a registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for a registered Shareholder should enter their own names in the blank space on the instrument 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.

VOTING BY INTERNET FOR REGISTERED HOLDERS OF COMMON SHARES

Shareholders may use the website at www.investorvote.com to transmit their voting instructions. Shareholders should have the form of proxy in hand when they access the website. Shareholders will be prompted to enter their control number, which is located on the form of proxy. If Shareholders vote by internet, their vote must be received not later than 9:00 a.m. (Calgary time) on May 7, 2019 or 48 hours prior to the time of any adjournment or postponement of the Meeting. **The website may be used to appoint**

a proxy holder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, a Shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

VOTING OF PROXIES

All Common Shares represented at the Meeting by properly executed proxies will be voted on any matter that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying form of proxy, the Common Shares represented by the proxy will be voted in accordance with such instructions. **In the absence of any such instruction, the persons whose names appear on the printed form of proxy will vote in favour of all the matters set out thereon. The enclosed form of proxy confers discretionary authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, then discretionary authority is conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgment.**

At the time of the printing of this Information Circular, the management of Valeura knew of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The board of directors of Valeura (the "**Board**") has fixed March 29, 2019 as the record date (the "**Record Date**") for the Meeting. Shareholders at the close of business on the Record Date are entitled to receive notice of the Meeting and to vote thereat or at any adjournment(s) or postponements(s) thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting.

As of the date hereof, 86,584,989 Common Shares were issued and outstanding as fully paid and non-assessable.

As of the date hereof, to the knowledge of the directors and executive officers of Valeura, there are no persons or companies who beneficially own, directly or indirectly, or control or direct Common Shares carrying 10% or more of the voting rights attached to all of the Common Shares, except as set forth below.

Name	Number of Common Shares Held or Controlled	Percentage of Common Shares Held or Controlled
Baillie Gifford & Co	15,285,400	17.75%

As of the date hereof, the directors and executive officers of Valeura, as a group, beneficially own, directly or indirectly, 1,565,509 Common Shares representing approximately 1.8% of the issued and outstanding Common Shares.

As of the date hereof, the directors and executive officers of Valeura, as a group, beneficially own, directly or indirectly, options ("**Options**") to purchase 4,559,000 Common Shares issuable pursuant to the

Corporation's stock option plan (the "**Option Plan**"). If all such Options directly or indirectly were exercised, the directors and executive officers of Valeura, as a group, would beneficially own 6,124,509 Common Shares representing approximately 6.7% of the issued and outstanding Common Shares (on a partially diluted basis). As of the date hereof, no performance share units ("**PSUs**") have been issued pursuant to Corporation's performance share unit plan ("**PSU Plan**").

MEETING MATTERS

Receipt of the Financial Statements and Auditors' Report

The audited financial statements of the Corporation for the period ended December 31, 2018 and the report of the auditors thereon will be placed before the Shareholders at the Meeting.

Under National Instrument 51-102 - *Continuous Disclosure Obligations*, a person or corporation who in the future wishes to receive financial statements from the Corporation must deliver a written request for such material to the Corporation, together with a signed statement that the person or corporation is the owner of securities (other than debt instruments) of the Corporation. Shareholders who wish to receive financial statements are encouraged to send the enclosed return card, together with the completed form of proxy to Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1.

Copies of the Corporation's annual and interim financial statements are also available on SEDAR at www.sedar.com.

Appointment of Auditors

At the Meeting, Shareholders will be asked to pass a resolution appointing KPMG LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the next annual meeting of Shareholders and to authorize the Board to fix the remuneration to be paid thereto. KPMG LLP, Chartered Accountants, were appointed as the auditors of Valeura on April 9, 2010.

Election of Directors

The term of office for each director is from the date of the Meeting at which he is elected until the next annual meeting or until his successor is elected or appointed. At the Meeting, a board of six (6) directors will be proposed for election. The enclosed form of proxy or voting instruction form permits Shareholders to vote "for" or to "withhold" their vote in respect of each director nominee. Except where authority to vote on the election of directors is withheld, the persons designated by the Corporation in the enclosed form of proxy intend to vote for the election of the six (6) nominees whose names are set forth below. If, due to unforeseen circumstances, any of the persons named below should not be available for election, it is intended that the persons named in the accompanying form of proxy will vote for such other person or persons as the Board may recommend. In accordance with the Corporation's majority voting policy, unless there is a contested election, a director who receives more *withhold* votes than *for* votes, will tender his or her resignation immediately. The Governance and Compensation Committee will review the matter and recommend to the Board whether to accept the resignation. The director will not participate in any deliberations on the matter. In such case, the Board will publicly announce its decision within 90 days of the annual meeting. Shareholders should note that, as a result of the aforementioned majority voting policy, a *withhold* vote is effectively the same as a vote *against* a director nominee in an uncontested election.

W. Sean Guest

President and Chief Executive Officer

Calgary,

Alberta, Canada

Director Since: May 10, 2018

Age: 57

Not Independent

Dr. Guest joined Valeura as Chief Operating Officer on May 17, 2017, and was appointed President on October 19, 2017 and Chief Executive Officer on January 1, 2018. Dr. Guest brings more than 26 years of international experience in the oil and gas industry, including 16 years in senior and executive leadership roles. His early career with Shell included assignments in the Netherlands, Australia and Malaysia. He subsequently joined Woodside Energy, where he managed the company's exploration program in Libya from 2005 to 2009, followed by management of the exploration and new business functions in Australia. For the past seven years, he has been CEO of two private, junior international companies with exploration and production operations in Australia, Indonesia, Malaysia and Ethiopia.

Board/Committee Membership	**2018 Attendance**[1][2]		**2018 Attendance (Total)**	
Board Not a Committee Member	6 of 6 9 of 9[8]	100% 100[8]	15 of 15	100%

Current Public Board Membership

None

Educational Background

Dr. Guest has a Ph.D. in Geology and a B.Sc. in Applied Science (Honours), both from Queen's University at Kingston.

Common Shares Controlled or Directed (as of the date hereof)

Common Shares	*Total Amount at Risk*	*Satisfies Share Ownership Requirements*
39,990[3]	$103,574.10[4]	Requirement to be satisfied within five years of appointment date.[5]

Options Held (as of December 31, 2018)

Expiry Date	*Number Granted*	*Exercise Price*	*Total Unexercised*
May 17, 2024	600,00	$0.75	600,000
March 23, 2025	275,000	$4.62	275,000

Voting Results of 2018 Annual Meeting

99.91% (votes for) / 0.09% (votes withheld)

<table>
<tr><td rowspan="17">Timothy R. Marchant

Chair

Calgary, Alberta, Canada

Director Since: April 15, 2015

Age: 68

Independent</td><td colspan="5">Dr. Marchant brings more than 39 years of senior executive experience in the oil and gas industry in Canada and internationally, with extensive experience in foreign growth strategies and international operations. In a career that spanned 29 years with Amoco and BP, Dr. Marchant held senior executive positions in Canada and a number of countries in the Middle East including Egypt, Saudi Arabia, Abu Dhabi and Kuwait.
Dr. Marchant is currently Adjunct Professor of Strategy and Energy Geopolitics at the Haskayne School of Business, University of Calgary. He has also been a director of Vermilion Energy Inc. (a TSX and NYSE listed issuer) since 2010 and Cub Energy Inc. (a TSXV listed issuer) since 2013.</td></tr>
<tr><td>Board/Committee Membership</td><td colspan="2">2018 Attendance[1]</td><td colspan="2">2018 Attendance (Total)</td></tr>
<tr><td>Board
Audit
Governance and Compensation
Reserves & Health, Safety, Security, Environment and Community Relations Committee</td><td>6 of 6
2 of 2[6]
2 of 2
3 of 3</td><td>100%
100%
100%
100%</td><td>13 of 13</td><td>100%</td></tr>
<tr><td colspan="5">Current Public Board Membership</td></tr>
<tr><td colspan="5">Vermilion Energy Inc. (TSX, NYSE)
Cub Energy Inc. (TSXV)</td></tr>
<tr><td colspan="5">Educational Background</td></tr>
<tr><td colspan="5">Dr. Marchant has a Ph.D. in Geology from Trinity College, University of Dublin, Ireland. He completed the Executive Program at the Ivey School of Business, University of Western Ontario in 1994 and the Institute of Corporate Directors Education Program in 2011.</td></tr>
<tr><td colspan="5">Common Shares Controlled or Directed (as of the date hereof)</td></tr>
<tr><td>Common Shares</td><td>Total Amount at Risk</td><td colspan="3">Satisfies Share Ownership Requirements</td></tr>
<tr><td>210,000[3]</td><td>$543,900[4]</td><td colspan="3">Yes</td></tr>
<tr><td colspan="5">Options Held (as of December 31, 2018)</td></tr>
<tr><td>Expiry Date</td><td>Number Granted</td><td>Exercise Price</td><td colspan="2">Total Unexercised</td></tr>
<tr><td>March 23, 2025</td><td>35,000</td><td>$4.62</td><td colspan="2">35,000</td></tr>
<tr><td>March 17, 2024</td><td>30,000</td><td>$0.73</td><td colspan="2">30,000</td></tr>
<tr><td>March 23, 2023</td><td>20,000</td><td>$0.75</td><td colspan="2">20,000</td></tr>
<tr><td>April 15, 2022</td><td>100,000</td><td>$0.68</td><td colspan="2">100,000</td></tr>
<tr><td colspan="5">Voting Results of 2018 Annual Meeting
97.62% (votes for) / 2.38% (votes withheld)</td></tr>
</table>

James D. McFarland

Calgary, Alberta, Canada

Director Since: June 29, 2010

Age: 72

Not Independent

Mr. McFarland has been a consultant of Valeura since January 1, 2018. Mr. McFarland was a co-founder and President of Valeura from April 9, 2010 to October 19, 2017 and Chief Executive Officer of Valeura from April 9, 2010 until his retirement on December 31, 2017. Prior to that, Mr. McFarland was President and Chief Executive Officer of Verenex Energy Inc. (a TSX listed issuer) from March 2004 to December, 2009. He has also been a director of Pengrowth Energy Corporation and MEG Energy Corp. (both TSX listed issuers) since 2010 and a director of Arrow Exploration Corp. (a TSXV listed issuer) since 2018.

Mr. McFarland has more than 46 years of oil and gas experience in Canada, the USA, Europe, Australia and Libya, including a 23 year career with Imperial Oil Limited and other ExxonMobil affiliates.

Mr. McFarland is a member of the Association of Professional Engineers and Geoscientists of Alberta, the Society of Petroleum Engineers International, the Program Committee of the World Petroleum Council and the Institute of Corporate Directors.

In 2003, Mr. McFarland was awarded the Australian Centenary Medal for outstanding service through business and commerce.

Board/Committee Membership	**2018 Attendance**(1)		**2018 Attendance (Total)**	
Board	6 of 6	100%	7 of 7	100%
Reserves & Health, Safety, Security, Environment and Community Relations Committee	1 of 1(7)	100%		

Current Public Board Membership

Pengrowth Energy Corporation (TSX)
MEG Energy Corp. (TSX)
Arrow Exploration Corp. (TSXV)

Educational Background

Mr. McFarland holds a Bachelor of Science degree in Chemical Engineering (Honours) from Queen's University at Kingston and a Master of Science degree in Petroleum Engineering from the University of Alberta. Mr. McFarland completed the Executive Development Program at Cornell University.

Common Shares Controlled or Directed (as of the date hereof)

Common Shares	*Total Amount at Risk*	*Satisfies Share Ownership Requirements*
451,134(3)	$1,168,437.06(4)	Yes

Options Held (as of December 31, 2018)

Expiry Date	*Number Granted*	*Exercise Price*	*Total Unexercised*
March 23, 2025	35,000	$4.62	35,000
March 17, 2024	190,000	$0.73	190,000
March 23, 2023	140,000	$0.75	140,000
March 13, 2022	349,000	$0.57	349,000
March 31, 2021	288,000	$0.64	288,000

Voting Results of 2018 Annual Meeting

99.91% (votes for) / 0.09% (votes withheld)

Ronald W. Royal Abbotsford, British Columbia, Canada Director Since: June 29, 2010 Age: 70 Independent	**Mr. Royal** has been a private businessman since April 2007. He has been a director of Gran Tierra Energy Inc. since May 2015. Prior to that he was a director of Oando Energy Resources Inc. and Caracal Energy Inc. (both TSX listed issuers). Mr. Royal has more than 39 years of oil and gas experience with Imperial Oil Limited and other ExxonMobil upstream affiliates in France and Chad, including serving as President and General Manager of Esso Chad Inc. In 2003, Mr. Royal was awarded the title “Chevalier de l’Ordre National du Chad” for his contributions to the economic development of Chad.				

Board/Committee Membership	2018 Attendance(1)		2018 Attendance (Total)	
Board Audit Committee Reserves & Health, Safety, Security, Environment and Community Relations Committee	6 of 6 4 of 4 3 of 3	100% 100% 100%	13 of 13	100%

Current Public Board Membership

Gran Tierra Energy Inc. (TSX)

Educational Background

Mr. Royal holds a Bachelor of Applied Science degree in Mechanical Engineering from the University of British Columbia.

Common Shares Controlled or Directed (as of the date hereof)

Common Shares	*Total Amount at Risk*	*Satisfies Share Ownership Requirements*
314,000(3)	$813,260(4)	Yes

Options Held (as of December 31, 2018)

Expiry Date	*Number Granted*	*Exercise Price*	*Total Unexercised*
March 23, 2025	35,000	$4.62	35,000
March 17, 2024	30,000	$0.73	30,000
March 23, 2023	20,000	$0.75	20,000
March 13, 2022	51,000	$0.57	51,000
March 31, 2021	42,000	$0.64	42,000
March 18, 2020	42,000	$1.00	42,000

Voting Results of 2018 Annual Meeting

99.91% (votes for) / 0.09% (votes withheld)

<table>
<tr><td rowspan="20">Russell J. Hiscock

Baie-d’Urfe,

Québec, Canada

Director Since: January 10, 2018

Age: 67

Independent</td><td colspan="6">Mr. Hiscock is the former President and Chief Executive Officer of the CN Investment Division (Montreal), which manages one of the largest corporate pension funds in Canada. Mr. Hiscock has many years of equity portfolio management experience in both the Canadian and international stock markets, with particular emphasis on the oil and gas sector. He is a past Chairman of the Pension Investment Association of Canada.
He is a Certified Chartered Financial Analyst and a Certified Management Accountant.</td></tr>
<tr><td colspan="2">Board/Committee Membership</td><td colspan="2">2018 Attendance(1)</td><td colspan="2">2018 Attendance (Total)</td></tr>
<tr><td colspan="2">Board
Audit Committee
Governance and Compensation</td><td>6 of 6
4 of 4
2 of 2</td><td>100%
100%
100%</td><td>12 of 12</td><td>100%</td></tr>
<tr><td colspan="6">Current Public Board Membership</td></tr>
<tr><td colspan="6">None</td></tr>
<tr><td colspan="6">Educational Background</td></tr>
<tr><td colspan="6">Mr. Hiscock holds a Bachelor of Mathematics degree from the University of Waterloo, a Master of Arts degree in Economics from the University of Western Ontario and an MBA from the University of Toronto.</td></tr>
<tr><td colspan="6">Common Shares Controlled or Directed (as of the date hereof)</td></tr>
<tr><td>Common Shares</td><td>Total Amount at Risk</td><td colspan="4">Satisfies Share Ownership Requirements</td></tr>
<tr><td>20,000(3)</td><td>$51,800(4)</td><td colspan="4">Requirement to be satisfied within five years of appointment date.(5)</td></tr>
<tr><td colspan="6">Options Held (as of December 31, 2018)</td></tr>
<tr><td>Expiry Date</td><td>Number Granted</td><td colspan="2">Exercise Price</td><td colspan="2">Total Unexercised</td></tr>
<tr><td>March 23, 2025</td><td>100,000</td><td colspan="2">$4.62</td><td colspan="2">100,000</td></tr>
<tr><td colspan="6">Voting Results of 2018 Annual Meeting</td></tr>
<tr><td colspan="6">99.91% (votes for) / 0.09% (votes withheld)</td></tr>
</table>

<table>
<tr><td rowspan="16">Kimberley K. Wood

London, United Kingdom

Director Since: March 26, 2019

Age: 49

Independent</td><td colspan="8">Ms. Wood is an energy lawyer with over 18 years of experience. She became a solicitor in England and Wales in 2001 and qualified at the U.S. firm of LeBoeuf, Lamb, Greene & MacRae LLP. Most recently, she was a partner and head of Oil and Gas for Europe and Middle East at Norton Rose Fulbright LLP and continues to consult for the firm. From February 2011 to April 2015, Ms. Wood was a partner at Vinson & Elkins LLP. Prior to that, she worked at Dewey & LeBoeuf LLP. Ms. Wood was described as an expert in energy and natural resources in the 2018 “Expert Guide” series, and the 2018 Women in Business Law series. She is also a member of the Advisory Board to the City of London Geological Forum. Ms. Wood has been a director of Africa Oil Corp. (a TSX and Nasdaq OMX listed issuer) since April 2018 and a director of Gulf Keystone Petroleum Ltd. (a LSE listed issuer) since October 2018.</td></tr>
<tr><td colspan="4">Board/Committee Membership</td><td colspan="2">2018 Attendance[9]</td><td colspan="2">2018 Attendance (Total)</td></tr>
<tr><td colspan="4">Board
Audit
Governance and Compensation</td><td>N/A
N/A
N/A</td><td>N/A
N/A
N/A</td><td>N/A
N/A
N/A</td><td>N/A
N/A
N/A</td></tr>
<tr><td colspan="8">Current Public Board Membership</td></tr>
<tr><td colspan="8">Africa Oil Corp. (TSX, Nasdaq OMX (Stockholm))
Gulf Keystone Petroleum (LSE)</td></tr>
<tr><td colspan="8">Educational Background</td></tr>
<tr><td colspan="8">Ms. Wood holds a BA from the University of Western Ontario, an LLB from the University of Edinburgh and an LLM (Public International Law) from University College of London, University of London.</td></tr>
<tr><td colspan="8">Common Shares Controlled or Directed (as of the date hereof)</td></tr>
<tr><td colspan="2">Common Shares</td><td colspan="2">Total Amount at Risk</td><td colspan="4">Satisfies Share Ownership Requirements</td></tr>
<tr><td colspan="2">Nil</td><td colspan="2">Nil</td><td colspan="4">Requirement to be satisfied within five years of appointment date.[5]</td></tr>
<tr><td colspan="8">Options Held (as of December 31, 2018)</td></tr>
<tr><td colspan="2">Expiry Date</td><td colspan="2">Number Granted</td><td colspan="2">Exercise Price</td><td colspan="2">Total Unexercised</td></tr>
<tr><td colspan="2">N/A</td><td colspan="2">Nil</td><td colspan="2">N/A</td><td colspan="2">N/A</td></tr>
<tr><td colspan="8">Voting Results of 2018 Annual Meeting</td></tr>
<tr><td colspan="8">N/A</td></tr>
</table>

Notes:

(1) Meeting attendance on special and/or other ad hoc committees of directors which may be formed, from time to time, to make recommendations to the Board in regard to a particular matter is not included.

(2) Dr. Guest was appointed to the Board on May 10, 2018, but was requested to attend all Board meetings prior to his appointment during 2018.

(3) Includes all Common Shares held by the spouse or children living in the same residence of such individual, corporations controlled by them or family trusts of such individual.

(4) The value of the Common Shares held by the directors is calculated by multiplying the amount of Common Shares held by $2.59, the closing price of Common Shares on the TSX on March 29, 2019.

(5) Valeura's share ownership guidelines provide that a new director must hold three times the annual base retainer in Common Shares within five years of being appointed to the Board.

(6) Dr. Marchant was appointed to the Audit Committee on May 10, 2018.

(7) Mr. McFarland was appointed to the Reserves & Health, Safety, Security, Environment and Community Relations Committee on May 10, 2018.

(8) Dr. Guest was not a member of any of the three standing committees but was requested by the chair of each committee to attend the meetings of each such committee during the financial year ended December 31, 2018. At each meeting attended by Dr. Guest, the members of each committee meet in camera without Dr. Guest.

(9) Ms. Wood was appointed to the Board (and the Audit and Governance and Compensation Committees) on March 26, 2019, and therefore did not attend any Board or committee meetings in 2018.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, to the knowledge of management, no director of Valeura:

(a) is, as at the date hereof, or has been, within 10 years before the date hereof, a director or chief executive officer or chief financial officer of any corporation (including Valeura) that, while that person was acting in that capacity:

(i) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(ii) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the corporation being the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(b) is, as the date hereof, or has been within 10 years from the date hereof, a director or executive officer of any company (including Valeura) that, while that person was acting in such 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.

Personal Bankruptcies

To the knowledge of management of Valeura, no director of Valeura has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Penalties or Sanctions

To the knowledge of management of Valeura, no director of Valeura has: (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, other than penalties for late filing of insider reports; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

Compensation Discussion and Analysis

Introduction

The purpose of this Compensation Discussion and Analysis ("**CD&A**") is to provide information about the Corporation's philosophy, objectives and processes regarding executive compensation.

This disclosure is intended to communicate the compensation provided to the Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**"), and the three most highly compensated executive officers of the Corporation, if any, whose individual total compensation was more than $150,000 for the year ended December 31, 2018 (each a "**Named Executive Officer**" or "**NEO**" and collectively, the "**Named Executive Officers**" or "**NEOs**") and how the determinations in respect of the NEOs' 2018 compensation were made. For the year ended December 31, 2018, the Corporation had the following four NEOs and no other executive officers or individuals acting in a similar capacity:

W. Sean Guest, CEO and President

Stephen E. Bjornson, CFO

Lyle A. Martinson, Chief Operating Officer ("**COO**")

Gordon R. Begg, Vice President Commercial ("**VP Commercial**")

Mr. Lyle A. Martinson was appointed as the COO on April 3, 2018. Prior to this, Mr. Martinson was the Vice President, Operations of the Corporation since 2010.

Mr. Gordon R. Begg was appointed as the VP Commercial on May 30, 2018.

The Board has established the Governance and Compensation Committee, which in 2018 comprised of two independent directors (and now three independent directors), to assist the Board in fulfilling its obligations relating to human resource and compensation matters and to establish a plan of continuity and development of senior management. The Governance and Compensation Committee's mandate includes:

- reviewing and recommending for Board approval, the corporate goals and objectives to be considered in determining the CEO's compensation and performance evaluation;
- in consultation with the CEO, reviewing and recommending the compensation philosophy, guidelines and plans for the Corporation's employees and executives;
- in consultation with the CEO, reviewing the appointment of and approving the compensation for the executive team;
- evaluating and providing feedback regarding the CEO's performance and reviewing and recommending the compensation of the CEO;
- in consultation with the CEO, reviewing and recommending all other compensation principles or policy matters including the annual budget for base salaries and bonuses, long term incentives (such as the Option Plan and the PSU Plan and other benefits); and
- consideration of the risk management implications with respect to the Corporation's compensation policies and practices.

Compensation Philosophy and Objectives of Compensation Programs

The executive compensation program adopted by Valeura and applied to its executive officers is designed to:

- attract and retain qualified and experienced executives who have international business and operations experience and will contribute to the success of Valeura;
- ensure that the compensation of the executive officers provides a competitive base compensation package, with additional compensation to reward success and create a strong link between corporate performance and compensation; and
- motivate executive officers to enhance long term shareholder value, with current compensation being weighted toward at-risk long term incentives in the form of Options and other security based incentives so as to foster alignment with the interests of the Shareholders.

Valeura's executive compensation program in 2018 consisted of four components as set forth in the following chart.

Compensation Components	Description and Purpose
Base Salary	A base level of income that reflects the executive's position and level of responsibility, as well as salary norms in the sector and the general marketplace.
Discretionary Cash Bonus	A pay-at-risk component consisting of a discretionary cash award based on the executive's position and corporate and personal performance, which is designed to reward the achievement of key corporate objectives.
Long Term Incentives (Options)	An additional pay-at-risk component to compensation that rewards long term performance by allowing executives to participate in the market appreciation of the Common Shares over an extended period. This component is also intended to make the Corporation competitive from a total remuneration standpoint and encourage executive retention through time-based and performance-based vesting of awards.
Benefits	Health and dental care and various forms of life, disability, critical illness and health spending accounts, plus certain additional perquisites for NEOs such as parking.

See "Compensation Discussion and Analysis - Elements of Compensation".

The goals of the compensation program are to attract and retain the most qualified people with relevant international experience, to motivate and reward such individuals on a short term and long term basis, and to create alignment between corporate performance and compensation. The Governance and Compensation Committee and the Board intend that the total cash components of compensation (base salary plus discretionary cash bonus) target the median of a relevant group of peer oil and gas companies (the "**Compensation Peer Group**") as a reference point but also reflect the application of informed judgement in setting executive compensation believed to be competitive for similarly placed executives in the Canadian market. When selecting the Compensation Peer Group used for 2018, the Board considered companies that met the following criteria:

- oil and gas exploration and production companies;
- companies with a market capitalization between approximately 50% and 200% that of Valeura's market capitalization;
- companies that are headquartered in Canada; and
- companies with international operations (and domestic producers, as required to ensure an adequately sized peer group).

The Corporation does not believe that its compensation programs encourage excessive or inappropriate risk taking as: (i) the Corporation's employees receive both fixed and variable compensation, and the fixed (salary) portion provides a steady income regardless of Common Share value which allows employees to focus on the Corporation's business; and (ii) the Option Plan encourages a long term perspective due to the vesting provisions of the Options. The Corporation believes that its compensation program is appropriately structured and balanced to motivate its executives and reward the achievement of annual performance goals, as well as the achievement of long term growth in shareholder value.

The Corporation has adopted an anti-hedging policy which prohibits any NEO or director from purchasing financial instruments designed to hedge or offset a decrease in market value of equity securities granted as compensation or held by the NEO or director.

Determining Compensation

The Governance and Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to compensation matters. The Governance and Compensation Committee operates under a written mandate adopted by the Board. The Governance and Compensation Committee is currently comprised of the following directors: Messrs. Marchant (Chair) and Hiscock and Ms. Wood. During the year ended December 31, 2018, the Governance and Compensation Committee was comprised of Messrs.

Marchant (Chair), Mr. Hiscock and Mr. Fanagan. Mr. Fanagan did not stand for re-election to the Board at the shareholder meeting on May 10, 2018 for medical reasons. Each member of the Governance and Compensation Committee is an independent director as such term is defined by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and all members of the Governance and Compensation Committee have expertise and extensive experience in compensation and other human resource areas in the oil and gas industry through their tenure in executive roles in the energy sector. In addition, the Governance and Compensation Committee utilizes publicly disclosed compensation data from management information circulars.

2018 Compensation Peer Group

In March 2018, the Governance and Compensation Committee and the Board reviewed the composition of the Compensation Peer Group used for 2017, specifically taking into account the increased market capitalization and planned 2018 annual operated capital expenditures of Valeura. Historically (i.e. for 2017 and earlier), the Compensation Peer Group was typically comprised of companies with a market capitalization between approximately 50% to 200% of Valeura's market capitalization; however, the Compensation Peer Group used for 2018 is now weighted towards companies with smaller market capitalizations, given Valeura's relatively high market capitalization but lower production and asset value within its peer group. The following table sets forth the 2018 Compensation Peer Group which is comprised of ten oil and gas exploration and production companies (including nine companies with international operations and one company with domestic operations) with a market capitalization range of $27 million to $607 million as at March 1, 2018 compared to Valeura's then market capitalization of $495 million.

2018 Compensation Peer Group	
Africa Oil Corp.	TransGlobe Energy Corporation
International Petroleum Corporation	BNK Petroleum Inc.
Cardinal Energy Ltd.	Oryx Petroleum Corporation Limited
ShaMaran Petroleum Corp.	Serinus Energy Inc.
Madalena Energy Inc.	Condor Petroleum Inc.

In March 2019, the Governance and Compensation Committee and the Board reviewed the composition of the Compensation Peer Group used for 2018, and noted that there had been significant changes to the market capitalization of several international oil and gas exploration and production companies (up and down) and also determined that some international companies were moving their offices and executives out of Canada, which is expected to impact compensation levels. Both factors have the effect of shrinking the size of an appropriate peer group of international companies. Therefore, in establishing executive compensation in 2019, the Governance and Compensation Committee and the Board have placed less emphasis on Compensation Peer Group considerations and rather, have applied informed judgement in setting executive compensation believed to be competitive for similarly placed executives in the Canadian market.

2018 Corporate Performance Scorecard

The 2018 Corporate Performance Scorecard adopted by the Board in March 2018 to assess discretionary bonus payments for 2018 aggregated the following key corporate performance indicators, set at threshold, target and maximum levels, which were equally weighted and scored on a scale of 0 to 2: (i) health, safety and environmental performance; (ii) Valeura's share price performance compared to a peer group of international-focused companies (the "**2018 Performance Peer Group**"); (iii) delivering Valeura operations on time and budget; and (iv) strategic objectives.

The 2018 Performance Peer Group consists of nine (9) companies from the Compensation Peer Group used in 2018, together with three (3) other international peer companies that have executive and head offices located outside Canada. The following table sets forth the 2018 Performance Peer Group for corporate performance purposes:

Entity	Listing	Entity	Listing
Africa Oil Corp.	TSX	TransGlobe Energy Corp.	TSX/AIM
International Petroleum Corp.	TSX	BNK Petroleum Inc.	TSX
Falcon Oil and Gas Ltd.	TSX/AIM	Oryx Petroleum Corp.	TSX
ShaMaran Petroleum Corp.	TSX	Pan Orient Energy Ltd.	TSX
Madalena Energy Inc.	TSX	Serinus Energy Inc.	AIM
Jadestone Energy Inc.	TSX/AIM	Condor Petroleum Inc.	TSX

In 2018, the Board also approved the CEO's 2018 goals and objectives. The goals and objectives were weighted 50% on achievement of the Corporate Performance Scorecard targets, and 50% on individual performance factors which include other key financial/strategic, operational, investor relations, and organizational performance indicators where the CEO's leadership is most influential.

For 2019, the Board has determined that it will not separately identify the CEO's goals and objectives but rather, the CEO's performance will be evaluated based on the Corporation's performance under the 2019 Corporate Performance Scorecard.

2019 Corporate Performance Scorecard

For the purposes of the 2019 Corporate Performance Scorecard, the Board approved an expanded group of 20 companies (the "**2019 Performance Peer Group**") in March 2019 to assess Valeura's relative share price performance, one of the key corporate performance indicators described above. The 2019 Performance Peer Group is focused on oil and gas exploration and production companies with international operations and includes companies that are listed on the TSX and the LSE as well as those dual listed on the TSX and the LSE or the New York Stock Exchange. The 2019 Performance Peer Group reflects the announced intention of the Corporation to list the Common Shares on the LSE in 2019. The following table sets forth the 2019 Performance Peer Group for corporate performance purposes.

Entity	Listing	Entity	Listing
Africa Oil Corp.	TSX	Pan Orient Energy Corp.	TSX
Amerisur Resources Plc	AIM	Bowleven Plc	AIM
Jadestone Energy Inc.	TSX/AIM	TransAtlantic Petroleum Ltd.	TSX/NYSE
Falcon Oil & Gas Ltd.	TSX/AIM	Madalena Energy Inc.	TSX
TransGlobe Energy Corporation	TSX/AIM	Wentworth Energy Corp.	AIM
Rockhopper Exploration Plc	LSE	Oryx Petroleum Corporation Limited	TSX
ShaMaran Petroleum Corp.	TSX	BNK Petroleum Inc.	TSX
IGas Energy Plc	AIM	Serinus Energy Inc.	AIM
Africa Energy Corp.	TSXV	TAG Oil Ltd.	TSX
SDX Energy Inc.	TSX/AIM	Touchstone Exploration Inc.	TSX/AIM

Compensation Approval Process

Compensation for the Corporation's executive officers is recommended by the CEO and then reviewed by the Governance and Compensation Committee. Recommendations are then made by the Governance and Compensation Committee to the Board for the Board's ultimate approval. In making recommendations, the CEO reviews compensation data in the oil and gas sector as disclosed in management information circulars for the Compensation Peer Group, as well as other more subjective factors such as level of responsibility, importance to the Corporation and the degree to which an officer's contribution will be critical to the Corporation's success in the near and long term. The Governance and Compensation Committee then reviews and discusses these recommendations, including review of the Compensation Peer Group data provided, and determines what recommendations to make to the Board. Although discussions between the CEO and members of the Governance and Compensation Committee are customary during this process, certain deliberations of the Governance and Compensation Committee and all final determinations by both the Governance and Compensation Committee and the Board regarding executive compensation are conducted during *in camera* sessions in the absence of any members of management.

Following the end of each year, the Governance and Compensation Committee distributes and utilizes a confidential CEO Feedback Instrument for the directors to assess the CEO's performance, including an assessment of the CEO's performance and achievement of the targeted goals and objectives for the prior year. The results of the directors' feedback are compiled on an anonymous basis to promote candid and constructive feedback. The results are distributed to the Board and play a role in setting the CEO's total compensation. The Chair of the Board provides feedback to the CEO on performance for the prior year and results of the CEO Feedback Instrument.

The Board also approves compensation for the directors of the Corporation in the form of fees and long term equity incentives based upon recommendations made by the Governance and Compensation Committee, which also takes into account the assessment of publicly disclosed data from management information circulars.

Elements of Compensation

Base Salaries

Base salary is intended to reflect an executive officer's position within the corporate structure, his or her years of experience and level of responsibility, and salary norms in the sector and the general marketplace. As such, decisions with respect to base salary levels for executive officers are not based on objective identifiable performance measures but for the most part are determined by reference to competitive market information for similar roles and levels of responsibility, as well as more subjective performance factors such as leadership, commitment, accountability, industry experience and contribution. The Corporation's view is that a competitive base salary is a necessary element for retaining qualified executive officers, as it creates a meaningful incentive for individuals to remain at Valeura and not be unreasonably susceptible to recruiting efforts by the Corporation's competitors.

As consideration for the services provided by the NEOs, the Corporation has agreed to pay the NEOs an annual salary in an amount determined by the Board in its annual salary review completed in the first quarter of each fiscal year and effective April 1 of each year. Salaries for 2018 were reviewed in March 2018 and the Board determined that there should be increases in salaries of the NEOs for 2018 to reflect both the very limited salary increases in recent years and the desire by the Board to move executive compensation towards the median level of the Compensation Peer Group used in 2018.

Cash Bonus

Discretionary cash bonuses are part of the Corporation's compensation program as it is believed that they can be used to help to motivate executive officers to achieve key corporate objectives by rewarding the achievement of these objectives. Currently, cash bonuses are awarded on a discretionary basis following an evaluation of the corporate performance factors.

In assessing the degree to which the key corporate performance indicators in the 2018 Corporate Performance Scorecard were achieved in 2018, the Governance and Compensation Committee and the Board considered the following:

- the Corporation achieved excellent operational health, safety and environmental results in 2018 with no recordable injuries. Management demonstrated a strong focus on operational safety during a period when the Corporation was undertaking several new and high pressure operations. This performance indicator was scored at 1.75;
- the Corporation achieved second quartile share price performance in 2018 compared to the Performance Peer Group used in 2018. This performance indicator was scored at 1.50;
- management delivered on the majority of strategic objectives defined by the Board. This performance indicator was scored at 1.50; and
- management achieved mixed results on operational delivery with most operations being delivered on time, but with significant budget overspend on the recompletion and long term testing of the Yamalik-1 well. This performance indicator was scored at 0.73.

While the Board considers the quantitative scoring from the corporate performance scorecard, it also uses discretion in determining the success of the Corporation in a given year. For 2018, the Board determined a corporate performance factor of 1.37 on a scale of 0 to 2. Based on this strong corporate performance factor as applied to the bonus target levels, discretionary cash bonuses for the year ended December 31, 2018 were determined by the Board in March 2019. For the NEOs, the aggregate bonus amounts were $516,000 representing 58**%** of their 2018 base salaries. See “NEO Compensation - Summary Compensation Table”.

Performance and Long Term Incentives

The Corporation believes that long term performance and increases in shareholder value are achieved through an ownership culture that encourages performance by all employees, including executives, through the use of at-risk long term incentives. Long term incentives are required in order for the Corporation to be competitive from a total remuneration standpoint when compared to those of larger companies in the oil and gas industry with whom it must compete for experienced executive officers. Accordingly, the Corporation established the Option Plan and the PSU Plan to provide employees, including executive officers, with incentives to help align those employees’ interests with the performance of the Corporation as reflected in the Common Share price. For a description of the Option Plan and the PSU Plan, see “Equity Plan Compensation”.

The Governance and Compensation Committee, upon the recommendation of the CEO, reviews and makes recommendations to the Board for its ultimate approval with respect to grants of Options and/or PSUs to executive officers. When making recommendations with respect to Option and/or PSU awards and the size of such awards, the Governance and Compensation Committee takes into consideration the overall number of Options and PSUs that are outstanding relative to the number of outstanding Common Shares.

During the year ended December 31, 2018:

- Messrs. Guest, Bjornson and Martinson were granted an aggregate of 445,000 Options, including a promotional award of 100,000 Options to Dr. Guest, exercisable at $4.62 per Common Share, which was the closing price per Common Share on the TSX on the last trading day preceding the Option grants, which were awarded on March 23, 2018; and

- Mr. Begg was granted 150,000 Options as a hiring award exercisable at $4.60 per Common Share, which was the closing price per Common Share on the TSX the last trading day preceding such Option Grant, which was awarded on May 30, 2018.

All of the foregoing Options have a seven-year term and vest in thirds over a three year period. In approving the overall grant of Options, regard was given to the desire to weight total compensation toward at-risk long term incentives, as well as to foster alignment with the interests of Shareholders. In recommending to the Board the size of Option awards to individual executives, the Governance and Compensation Committee considered the recommendations made by the CEO and each executive's level of responsibility and authority, with a particular emphasis on the degree to which each executive's contribution would be critical to long term corporate success, and consideration was given to the amount of each executive's Option award relative to the allocation of Options granted to the CEO and other officers to ensure an appropriate scaling within the executive team. See "NEO Compensation - Outstanding Option-Based Awards".

As of the date hereof, no PSUs have been granted under the PSU Plan.

Benefits

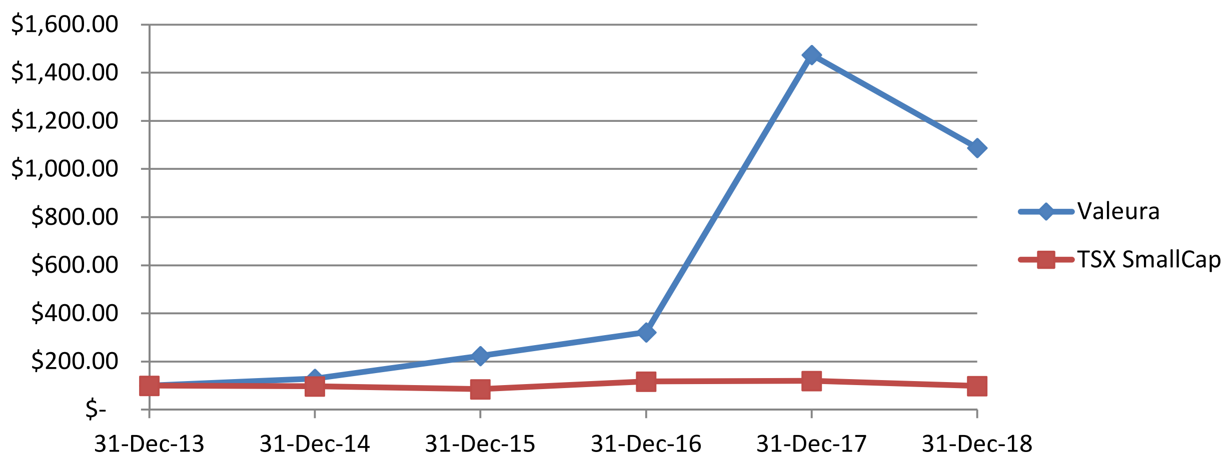
The Corporation's benefits program consists of health and dental care and various forms of life, disability and critical illness insurances and health spending accounts consistent with industry norms. In addition, the NEOs receive a reimbursement of parking costs up to a defined limit or a transportation allowance in lieu of parking.

Severance and Change of Control Agreements

Executive employment agreements were put in place for Dr. Guest effective May 23, 2017 (and amended on January 1, 2018), for Mr. Martinson effective June 17, 2011 (and amended on April 3, 2018), for Mr. Bjornson effective June 17, 2011, and for Mr. Begg effective May 30, 2018, providing for severance or other payouts upon a change of control event. See "Employment Agreements and Termination and Change of Control Benefits".

Performance Graph

The following graph illustrates the cumulative return to Shareholders of a $100 investment in Common Shares from December 31, 2013 to December 31, 2018, as compared to the cumulative total return on the Standard & Poor's/TSX SmallCap Index ("**TSX SmallCap**") for the same period, assuming the reinvestment of cash distributions and/or dividends.



	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
Valeura	$100.00	$128.81	$223.73	$322.03	$1,474.58	$1,088.14
TSX SmallCap	$100.00	$97.66	$84.66	$117.23	$120.46	$98.58

The trend shown in the above graph does not necessarily correspond to the Corporation's trend of compensation for the NEOs for the period disclosed above. The Corporation 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, the Corporation's performance (which is not necessarily tied exclusively to the trading price of the Common Shares on the TSX and other factors discussed under "Compensation Discussion and Analysis" above).

NEO Compensation

Summary Compensation Table

The following table provides information concerning compensation of the NEOs for the years ended December 31, 2018, 2017 and 2016.

Name and Principal Position	Year	Salary ($)	Option Awards ($)	Non-equity incentive plan compensation ($) Annual Incentive Plan	All Other Compensation(7) ($)	Total Compensation ($)
Dr. W. Sean Guest(1) CEO and President	2018 2017 2016	297,500 146,087 N/A	814,000(4) 270,000(5) N/A	225,000 177,500 N/A	Nil Nil N/A	1,336,500 593,587 N/A
Stephen E. Bjornson CFO	2018 2017 2016	232,500 225,000 225,000	222,000(4) 50,600 (5) 36,800(6)	100,000 55,000 22,000	Nil Nil Nil	554,500 330,600 283,800
Lyle A. Martinson COO(2)	2018 2017 2016	228,750 210,000 210,000	281,200(4) 41,800 (5) 32,200(6)	135,000 95,000 20,000	Nil Nil Nil	644,950 346,800 262,200
Gordon R. Begg VP Commercial(3)	2018 2017 2016	130,167 N/A N/A	442,500(3)(4) N/A N/A	56,000 N/A N/A	Nil N/A N/A	628,667 N/A N/A

Notes:

(1) Dr. W. Sean Guest was appointed CEO on January 1, 2018. Prior to this, Dr. Guest was the President since May 17, 2017.

(2) Mr. Lyle A. Martinson was appointed as the COO on April 3, 2018. Prior to this, Mr. Martinson was the VP Operations since 2010.

(3) Mr. Gordon R. Begg was hired as the VP Commercial on May 30, 2018. Mr. Begg's bonus for 2018 was prorated from his start date and his Option grant for 2018 is a hiring grant.

(4) This does not represent cash paid to the NEO. The actual value of the Options granted to the NEOs will be determined based on the market price of the Common Shares at the time of exercise of such Options, which may be greater or less than the grant date fair value reflected in the table above. This figure is based on the grant date fair value of such Options as at March 23, 2018 in the case of Messrs. Guest, Bjornson and Martinson, or, in the case of Mr. Begg, May 30, 2018, calculated through the use of the Black-Scholes Model. The grant date fair value was 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 Corporation 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. The actual assumptions and estimates used for the summary compensation table values were as follows for the Options granted March 23, 2018: Fair Value of $2.96 per share; Risk-Free Interest Rate of 2.03%; Expected Life of 4.5 years; Expected Volatility of 83.73%; and Dividend per Share of nil. The key assumptions for the Options granted May 30, 2018 were: Fair Value of $2.95 per share; Risk-Free Interest Rate of 2.07%; Expected Life of 4.5 years; Expected Volatility of 85.58%; and Dividend per Share of nil. The Options vest in thirds, on the first, second and third year anniversary of the grant date. Accordingly, none of these Options had vested as at December 31, 2018.

(5) As noted in (4) above, this does not represent cash paid to the NEO. This figure is based on the grant date fair value of such Options as at March 17, 2017 in the case of Messrs. Bjornson and Martinson, or, in the case of Dr. Guest, May 17, 2017. The actual assumptions

and estimates used for the summary compensation table values were as follows for the Options granted March 17, 2017: in the case of Fair Value of $0.44 per share; Risk-Free Interest Rate of 1.2%; Expected Life of 4.5 years; Expected Volatility of 77.9%; and Dividend per Share of nil. The key assumptions for the Options granted May 17, 2017, were: Fair Value of $0.45 per share; Risk-Free Interest Rate of 0.9%; Expected Life of 4.5 years; Expected Volatility of 77.2%; and Dividend per Share of nil. The Options vest in thirds, on the first, second and third year anniversary of the grant date. Accordingly, one third of these Options had vested as at December 31, 2018.

(6) As noted in (4) above, this does not represent cash paid to the NEO. The actual assumptions and estimates used for the summary compensation table values were as follows: Fair Value of $0.46 per share; Risk-Free Interest Rate of 0.67%; Expected Life of 4.8 years; Expected Volatility of 80.73%; and Dividend per Share of nil. The Options vest in thirds, on the first, second and third year anniversary of the grant date. Accordingly, two-third of these Options had vested as at December 31, 2018.

(7) Nil indicates that perquisites and other personal benefits did not exceed $50,000 or 10% of the total salary of the NEO for the financial year.

Outstanding Option-Based Awards

The following table sets forth information with respect to the unexercised Options granted under the Option Plan to the NEOs which were outstanding as of December 31, 2018.

		Option-Based Awards		
Name and Principal Position	**Number of Common Shares Underlying Unexercised Options**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Options ($)[(1)]**
Dr. W. Sean Guest CEO and President	275,000 600,000	4.62 0.75	March 23, 2025 May 17, 2024	Nil 1,476,000
Stephen E. Bjornson CFO	75,000 115,000 80,000 211,000 24,000 24,000	4.62 0.73 0.75 0.57 0.64 1.00	March 23, 2025 March 17, 2024 March 23, 2023 March 13, 2022 March 31, 2021 March 18, 2020	Nil 285,200 196,800 557,040 61,680 53,040
Lyle A. Martinson COO	95,000 95,000 70,000 94,000 144,000	4.62 0.73 0.75 0.64 1.00	March 23, 2025 March 17, 2024 March 23, 2023 March 31, 2021 March 18, 2020	Nil 235,600 172,200 241,580 318,240
Gordon R. Begg VP Commercial	150,000	4.60	May 30, 2025	Nil

Note:

(1) The value shown is the product of the number of Common Shares underlying the Option multiplied by the difference between the Common Share TSX closing price on December 31, 2018 of $3.21 and the exercise price.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth information with respect to the value of Options vested during the year ended December 31, 2018 as well as the cash bonuses granted to the NEOs during the year ended December 31, 2018.

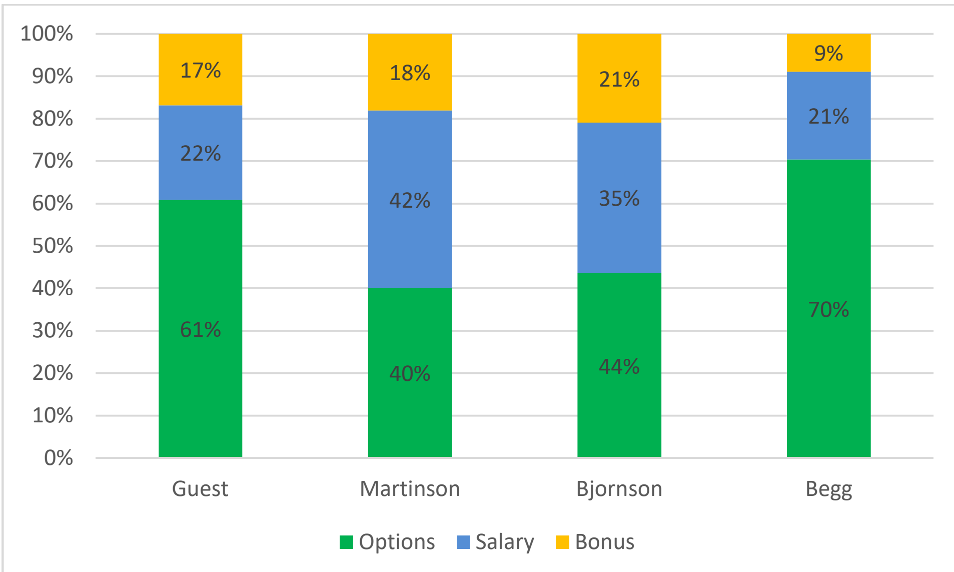
Name and Principal Position	Option-Based Awards Value Vested During Year ($)[(1)]	Non-Equity Incentive Plan Compensation Value earned during the year ($)
Dr. W. Sean Guest CEO and President	862,000	225,000
Stephen E. Bjornson CFO	544,462	100,000
Lyle A. Martinson COO	454,090	135,000
Gordon R. Begg VP Commercial	Nil	56,000

Note:

(1) The value shown is the product of the number of Common Shares underlying the Options that vested during the year multiplied by the difference between the Common Share TSX closing price on the day the Options vested and the exercise price of the Options that vested.

Executive Compensation Breakdown: Fixed vs. Performance Based "At Risk" Compensation

The 2018 executive compensation breakdown chart below reflects the Corporation's performance approach that emphasizes variable (or "at risk") compensation in the form of short term incentive (bonuses) and long term incentive compensation (Options), as opposed to fixed compensation (salaries). The Governance and Compensation Committee and the Board believe that the mix of short term and long term incentive awards, combined with corporate performance goals related to health, safety and environmental performance, delivering operations on budget and time, share price performance and achievement of strategic objectives, result in an appropriate mix of pay for performance and discouragement of inappropriate risk taking behavior. Mr. Begg's compensation breakdown in 2018 is affected by his base salary not being for the full year and an initial Option grant at hiring that was made upon him joining the Corporation as VP Commercial on May 30, 2018.



Employment Agreements and Termination and Change of Control Benefits

Each of the NEOs is a party to an executive employment agreement (the "**Executive Employment Agreements**") with the Corporation. The Executive Employment Agreement for the CEO and President was established in May 2017 (and amended in January 2018), the CFO and the COO in June 2011 (and amended for the COO in April 2018), and for the VP Commercial in May 2018. The Executive Employment Agreements have an indefinite term and contain standard confidentiality and non-solicitation provisions.

Valeura has agreed pursuant to the Executive Employment Agreements that the NEOs will receive base salaries determined by the Board and may receive discretionary bonuses, grants of Options, PSUs, reimbursement of expenses, benefits and certain perquisites as set forth in the Executive Employment Agreements, with the amounts paid in 2018 with respect to such matters set forth in the Summary Compensation Table.

The Executive Employment Agreements provide that, upon the termination of employment without just cause, in the case of constructive dismissal, upon disability as defined in the amended Executive Employment Agreements, or upon a change of control of the Corporation if the executive does not remain with the Corporation, the NEO is entitled to receive the amount of unpaid annual salary and declared but unpaid bonuses to and including the date of termination of employment, plus:

(a) in the case of the CEO and President, a severance payment in the amount of two times the annual salary and cost of benefits and two times the average amount of the bonus paid for the three calendar years prior to the date of termination;

(b) in the case of the CFO and COO, a severance payment in the amount of one and one-half times annual salary and cost of benefits plus one and one-half times the average amount of the bonus paid for the three calendar years prior to the date of termination; and

(c) in the case of the VP Commercial, a severance payment in the amount of one time the annual salary and cost of benefits plus one time the average amount of bonus paid for the three calendar years prior to the date of termination.

Upon the death of any of the NEOs, such NEOs personal representatives shall be entitled to receive the amount of unpaid salary to and including the date of death, plus any bonus declared but not yet paid, plus all outstanding vacation pay and expense reimbursements.

In addition, in the event of termination of employment for any reason, any outstanding Options shall be treated in the manner set forth in the Option Plan and applicable stock option agreement, which provide that all unvested Options shall terminate as of the date notice is given in respect of such termination. Notwithstanding the foregoing, in the event of any Change of Control Transaction (as defined in the Option Plan) or an Unsolicited Offer (as defined in the Option Plan) or upon the death or disability of the NEO, all unexercised and unvested outstanding Options granted shall vest and become immediately exercisable unless otherwise determined by the Board in accordance with the Option Plan and the applicable stock option agreement.

The following table sets forth information with respect to the estimated aggregate dollar amount to which each current NEO would have been entitled if the event resulting in termination of employment occurred on December 31, 2018.

Name	Triggering Event	Cash Payment	Value of Bonus and other Benefits	Value of Equity and Share Based Awards	Total Payout
Dr. W. Sean Guest	Termination with cause/resignation	Nil (1)	Nil	$492,000(4)	$492,000
	Termination without cause	$620,000	$385,561(2)	$492,000(4)	$1,497,561
	Change of control	$620,000	$385,561 (2)	$1,476,000(3)	$2,481,561
Stephen E. Bjornson	Termination with cause/resignation	Nil(1)	Nil	$898,030 (4)	$898,030
	Termination without cause	$352,500	$83,412(2)	$898,030(4)	$1,333,942
	Change of control	$352,500	$83,412(2)	$1,153,760(3)	$1,589,672
Lyle A. Martinson	Termination with cause/resignation	Nil(1)	Nil	$753,155(4)	$753,155
	Termination without cause	$352,500	$104,404(2)	$753,155(4)	$1,210,059
	Change of control	$352,500	$104,404 (2)	$967,620 (3)	$1,424,524
Gordon R. Begg	Termination with cause/resignation	Nil(1)	Nil	Nil (4)	Nil
	Termination without cause	$220,000	$12,528(2)	Nil (4)	$232,528
	Change of control	$220,000	$12,528 (2)	Nil (3)	$232,528

Notes:

(1) In the event of a termination for just cause, resignation or retirement, the Corporation shall have no further obligation to the NEO, other than the payment of unpaid base salary, any bonus declared but not yet paid, plus all outstanding vacation pay and expense

reimbursement.

(2) The value shown is a multiple of the annual cost of benefits and the average cash bonus paid in respect of the years ended December 31, 2017, 2016 and 2015.

(3) The value shown is the product of the number of Common Shares underlying the vested and unvested Options multiplied by the difference between the Common Share TSX closing price on December 31, 2018 of $3.21 and the exercise price.

(4) The value shown is the product of the number of Common Shares underlying the vested Options multiplied by the difference between the Common Share TSX closing price on December 31, 2018 of $3.21 and the exercise price.

Director Compensation

Non-executive Directors are remunerated based on their expertise and time commitment provided to the Corporation. Non-executive Directors receive a set retainer of $25,000 per year, except for the Chairman who receives an additional set retainer of $10,000. The Chairs of the Audit Committee, the Governance and Compensation Committee and the Reserves & Health, Safety, Security, Environment and Community Relations Committee each receive an additional $8,000 retainer. Additional fees are paid for committee service and meeting attendance ($1,500 per meeting). Non-executive Directors are also eligible to receive grants of Options and PSUs. The Governance and Compensation Committee recommend compensation levels and any Option or PSU awards for directors to the Board, taking into account compensation data for the directors of companies in the Compensation Peer Group. New directors typically receive an initial Option grant upon appointment or election, as applicable, subject to any blackout restrictions which may delay the grant.

Dr. Guest did not receive any compensation as a director of the Corporation for the year ended December 31, 2018 and thus is not included in the following tables. All of Dr. Guest's compensation information is reflected under "NEO Compensation – Summary Compensation Table".

Summary Compensation Table

The following table sets forth information concerning compensation paid to the non-executive Directors for the year ended December 31, 2018.

Name	Fees Earned ($)	Option-based awards ($)(1)(2)	All Other Compensation ($)(3)	Total ($)
Dr. Timothy R. Marchant	68,500	103,600	Nil	172,100
Ronald W. Royal	57,000	103,600	Nil	160,600
Russell J. Hiscock	54,075	296,000	Nil	350,075
James D. McFarland	41,500	103,600	120,000	265,100
William T. Fanagan(4)	20,229	Nil	Nil	20,229
Claudio A. Ghersinich(4)	20,929	Nil	Nil	20,929
Kimberley K. Wood(5)	N/A	N/A	N/A	N/A

Notes:

(1) This does not represent cash paid to the director. This figure is based on the grant date fair value of such Options as at March 23, 2018 calculated through the use of the Black-Scholes Model. The grant date fair value was 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 Corporation 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. The actual assumptions and estimates used for the option-based awards are as follows: Fair Value of $2.96 per share; Risk-Free Interest Rate of 2.03%; Expected Life of 4.5 years; Expected Volatility of 83.73%; and Dividend per Share of nil. The Options vest in thirds, on the first, second and third year anniversary of the grant date. Accordingly, none of these Options had vested as at December 31, 2018.

(2) The actual value of the Options granted to the directors will be determined based on the market price of the Common Shares at the time of exercise of such Options, which may be greater or less than grant date fair value reflected in the table above. See "Director Compensation - Outstanding Option-Based Awards".

(3) Nil indicates that no other compensation was paid or otherwise provided, indirectly or directly, by the Corporation to a director in any capacity, under any other arrangement. All Other Compensation for Mr. McFarland is comprised of fees paid under a consulting

contract, which was entered into with Mr. McFarland to retain his corporate knowledge following the CEO succession from Mr. McFarland to Dr. Guest.

(4) Effective May 10, 2018, Messers. Fanagan and Ghersinich no longer served as directors of the Corporation.

(5) Ms. Wood was appointed to the Board on March 26, 2019.

Outstanding Option-Based Awards

The following table sets forth information with respect to the unexercised Options granted under the Option Plan to the non-executive directors which were outstanding as of December 31, 2018.

Name and Principal Position	Number of Common Shares Underlying Unexercised Options	Option-Based Awards		
		Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-the-Money Options ($)[1]
Dr. Timothy R. Marchant	35,000 30,000 20,000 100,000	4.62 0.73 0.75 0.68	March 23, 2025 March 17, 2024 March 23, 2023 April 15, 2022	Nil 74,400 49,200 253,000
Ronald W. Royal	35,000 30,000 20,000 51,000 42,000 42,000	4.62 0.73 0.75 0.57 0.64 1.00	March 23, 2025 March 17, 2024 March 23, 2023 March 13, 2022 March 31, 2021 March 18, 2020	Nil 74,400 49,200 134,640 107,940 92,820
Russell J. Hiscock	100,000	4.62	March 23, 2025	Nil
James D. McFarland	35,000 190,000 140,000 349,000 288,000	4.62 0.73 0.75 0.57 0.64	March 23, 2025 March 17, 2024 March 23, 2023 March 13, 2022 March 31, 2021	Nil 471,200 344,400 921,360 740,160
Kimberley K. Wood[2]	Nil	Nil	Nil	Nil
William T. Fanagan[3]	Nil	Nil	Nil	Nil
Claudio A. Ghersinich[3]	Nil	Nil	Nil	Nil

Note:

(1) The value shown is the product of the number of Common Shares underlying the Option multiplied by the difference between the Common Share TSX closing price on December 31, 2018 of $3.21 and the exercise price.

(2) Ms. Wood was appointed to the Board on March 26, 2019.

(3) Effective May 10, 2018, Messers. Fanagan and Ghersinich no longer served as directors of the Corporation.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth information with respect to the value of Options vested during the year ended December 31, 2018 as well as the cash bonuses granted to directors during the year ended December 31, 2018.

Name	Option-Based Awards Value Vested During Year ($)[1]	Non-Equity Incentive Plan Compensation Value earned during the year ($)
Dr. Timothy R. Marchant	218,700	N/A
Ronald W. Royal	135,278	N/A
Russell J. Hiscock	Nil	N/A
James D. McFarland	909,592	N/A
Kimberley K. Wood[2]	N/A	N/A
William T. Fanagan[3]	135,278	N/A

Name	Option-Based Awards Value Vested During Year ($)[(1)]	Non-Equity Incentive Plan Compensation Value earned during the year ($)
Claudio A. Ghersinich[(3)]	135,278	N/A

Note:

(1) The value shown is the product of the number of Common Shares underlying the Options that vested during the year multiplied by the difference between the Common Share TSX closing price on the respective days the Options vested and the exercise price of the respective Options that vested.

(2) Ms. Wood was appointed to the Board on March 26, 2019

(3) Effective May 10, 2018, Messers. Fanagan and Ghersinich no longer served as directors of the Corporation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

Except as disclosed in this Information Circular, management of Valeura is not aware of any material interest of any director or executive officer or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, proposed director, executive officer, nor any of their respective associates or affiliates, is or has been indebted to the Corporation or its subsidiaries since the beginning of the Corporation's most recently completed financial year.

EQUITY PLAN COMPENSATION

The Corporation currently has two equity compensation plans in place, the Option Plan and PSU Plan. Both plans authorize the Board to make grants to directors, officers, employees or other services providers of the Corporation. In 2018, the Corporation granted Options exercisable into 1,077,500 Common Shares, representing 1.25% of the issued and outstanding Common Shares as at December 31, 2018. A total of 2,557,667 Options exercisable into Common Shares were exercised and 291,666 Options were forfeited and cancelled. As of December 31, 2018, the Corporation had:

- Options exercisable into 4,598,667 Common Shares outstanding, which represented approximately 5.3% of the then issued and outstanding Common Shares; and

- 4,024,632 Options or PSUs available for grant under the Option Plan and PSU Plan, respectively, which represented approximately 4.7% of the then issued and outstanding Common Shares.

Number of Common Shares Available Under the Option Plan and the PSU Plan

The 10% rolling limit on the number of Common Shares that may be reserved for issuance applies to the Common Shares reserved for issuance under the Option Plan and the PSU Plan as well as any other security based compensation plans of the Corporation.

Subject to the policies of the TSX, the number of Common Shares reserved for issuance under the Option Plan, the PSU Plan and any other security based compensation plan of the Corporation, in the aggregate: (i) shall not exceed 5% of the total number of Common Shares outstanding to any one individual in any 12 month period (2% in the case of both a consultant or an employee conducting investor relations activities); (ii) shall not exceed 10% of the total number of Common Shares outstanding to Insiders; and (iii) shall not exceed 10% of the total number of Common Shares outstanding to Insiders in any 12 month period. The term "Insider" has the meaning ascribed thereto in the TSX Company Manual.

Option Plan

The Option Plan is intended to achieve a number of objectives through the grant of Options including:

- retaining and attracting qualified directors, officers, employees and consultants;
- promoting a proprietary interest in the Corporation;
- providing a long term incentive element in compensation; and
- promoting profitability of the Corporation.

Participation and Change in Employment

The Option Plan provides that:

- participation in the plan shall be entirely voluntary and any decision not to participate shall not affect an optionee's relationship or employment with the Corporation. Similarly, the Option Plan specifies that the granting of Options pursuant to the Option Plan shall in no way be construed as conferring on any optionee any right with respect to continuance as a director, officer, employee or consultant of the Corporation or of any of its subsidiaries; and
- Options shall not be affected by any change of employment of the optionee or by the optionee ceasing to be a director, officer, employee or consultant of the Corporation or a subsidiary, where the optionee becomes or continues to be a director, officer, employee or consultant of the Corporation or a subsidiary.

Ceasing to be a Director, Officer, Employee or Consultant

The Option Plan gives the Board discretion when issuing Options to determine whether Options may be exercised at all or for a limited period of time following an optionee ceasing to be an employee, officer, director or consultant for any reason other than death or permanent disability, provided however, that Options held by such optionees must expire within a reasonable period following the date of such cessation as required under TSX policies. In the event of the death or permanent disability of an optionee, Options held by such optionee, whether or not vested, shall be exercisable for 12 months following the death or permanent disability of the optionee or the expiry time of such Options, whichever occurs first and thereafter shall be of no further force or effect.

Exercise Price

Subject to the policies of the TSX and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under the Option Plan shall be as determined by the Board when such Option is granted and shall be an amount at least equal to the last per Common Share closing price of the Common Shares on the TSX before the date of grant of an Option.

On April 13, 2018, the Board amended and restated the Option Plan for provide for the broker-assisted cashless exercise of Options. In addition to cash, the Option Plan allows optionees to pay for the aggregate exercise price of vested Options pursuant to a broker-assisted cashless exercise, whereby the Optionee (or its representative) elects to receive: (a) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Common Shares underlying the Options by a securities dealer designated by the Corporation, less the aggregate exercise price, any applicable withholding taxes and any transfer costs charged by the securities dealer to sell the Common Shares; (b) an aggregate number of Common Shares that is equal to the number of Common Shares underlying the Options minus the number of Common Shares sold in the capital markets by a securities dealer designated by the Corporation as required to realize cash proceeds equal to the aggregate exercise price, any applicable withholding taxes and any transfer costs charged by the securities dealer to sell the Common Shares; or (c) a combination of (a) and (b).

Vesting

The vesting of an Option granted under the Option Plan shall be as determined by the Board when such Option is granted; however, Options generally have a vesting schedule of one third per year over three years.

Term and Black-out Periods

Under the Option Plan, all Options shall be for a term as determined in the discretion of the Board at the time of the grant, provided that no Options shall have a term exceeding 10 years.

The Option Plan also allows for the extension of the expiry date for an Option during a black-out period imposed by the Corporation. In the event that the expiration date of an Option falls within such a black-out period or within five business days after a black-out period, the expiry date of such Options shall be altered to be 10 business days after the black-out period ends, provided that in no case shall such extension create an Option having a term exceeding 10 years.

Change of Control Transactions and Unsolicited Offers

The Option Plan contains a comprehensive definition of Change of Control Transaction and provides that, unless otherwise determined by the Board, in the event of a Change of Control Transaction or an Unsolicited Offer (as such terms are defined in the Option Plan), all Options shall vest and become immediately exercisable.

In addition, if the Board approves a Change of Control Transaction, the Board may provide notice to the optionees of the time period during which such optionees must purchase all or a portion of that number of Common Shares to which such optionees are entitled pursuant to the unexercised Options. Any Options not exercised at the expiry of such period shall terminate and expire, unless such Change of Control Transaction is not completed. Any Options remaining unexercised following the earlier of the withdrawal of an Unsolicited Offer and the expiry of such Unsolicited Offer in accordance with its terms again become subject to the original terms of such options as if the Unsolicited Offer had not been made.

Amendment, Termination and Adjustments

The Option Plan contains provisions specifically outlining amendments to the Option Plan which may be made by the Board without the further approval of Shareholders. While this is not specifically required by the policies of the TSX, these provisions provide clarity and are consistent with the rules of the TSX which require that in order for amendments to proceed without requiring securityholder approval, the plan must specify if securityholder approval is required for each type of amendment to a stock option plan.

The Option Plan gives the Board discretion to may make adjustments to Options to prevent substantial dilution or enlargement of the rights granted to optionees in the context of certain specified corporate events.

On April 13, 2018, the Board amended and restated the Option Plan to provide for the broker-assisted cashless exercise of Options.

Non Assignability

The Options are not transferable or assignable, except for a limited right of assignment on the death or permanent disability of an optionee.

Burn Rate

The annual burn rate of Options granted under the Option Plan in respect of: (i) fiscal year 2018 was 1.25%; (ii) fiscal year 2017 was 2.5%; and (iii) fiscal year 2016 was 1.1%. The “annual burn rate” is the number of stock options granted under the Option Plan during the applicable fiscal year divided by the weighted average number of Common Shares outstanding for the applicable fiscal year

PSU Plan

No awards of PSUs have yet been granted under the PSU Plan.

Purpose of the PSU Plan

The principal purposes of the PSU Plan are to: (i) to strengthen the ability of the Corporation to attract and retain qualified directors, officers, employees and consultants which the Corporation and its subsidiaries require; (ii) to encourage the acquisition of a proprietary interest in the Corporation by such directors, officers, employees and consultants, thereby aligning their interests with the interests of the Shareholders; and (iii) to focus management of the Corporation and its subsidiaries on operating and financial performance and total long term Shareholder return by providing an increased incentive to contribute to the Corporation’s growth and profitability.

Eligibility and Award Determination

In accordance with the terms of the PSU Plan, awards of PSUs (“**Unit Awards**”) may be granted to employees, officers, directors or consultants of the Corporation or a subsidiary (individually, a “**Service Provider**” and collectively, “**Service Providers**”).

In determining the Service Providers to whom Unit Awards may be granted and the number of PSUs to be awarded pursuant to each Unit Award, the Board will take into account the following factors: (i) compensation data for comparable benchmark positions among the Corporation’s competitors; (ii) the duties and seniority of the Service Provider; (iii) corporate performance measures of the Corporation for the most recently completed fiscal year; (iv) individual and/or departmental contributions and potential contributions to the success of the Corporation; and (v) such other factors as the Board shall deem relevant in connection with accomplishing the purpose of the PSU Plan.

Vesting and Performance Factor

The vesting date for the PSUs issued under the Unit Award and any adjustment (upward or downward) to the number of PSUs awarded by the application of a Performance Factor (as term is defined in the PSU Plan) shall be determined at the discretion of the Board, provided, however, in the event of a Change of Control Transaction or an Unsolicited Offer (as such terms are defined in the PSU Plan), unless otherwise determined by the Board, all PSUs credited to the grantee’s Performance Account (as term is defined in the PSU Plan) that have not yet vested as of such time multiplied by the Performance Factor shall vest on the earlier of: (i) the next applicable vesting date determined in accordance with the Unit Award; and (ii) immediately prior to the effective time of a Change of Control Transaction, or on the date the Unsolicited Offer is made, as applicable. Under the terms of the PSU Plan, in the event that the Corporation pays a dividends on the Common Shares since the granting of a Unit Award, the number of all PSUs credited to the grantee’s Performance Account will be increased.

Cash Payment Option

Under the terms of the PSU Plan, the Board may elect, in its sole discretion, to pay to any grantee of a Unit Award in lieu of delivering all or any part of the Common Shares that would be otherwise delivered to the grantee on such vesting date, a cash amount equal to the aggregate fair market value of such Common Shares that would otherwise be issued on such vesting date in consideration for surrender by the grantee to the Corporation of the right to receive all or any part of the Common Shares under such Unit Award.

Termination of Relationship as Service Provider and Non-Transferability

In the event that a grantee of a Unit Award is terminated (whether for cause or without cause), all outstanding Unit Award Agreements (as term is defined in the PSU Plan) and unvested PSUs held by such grantee shall be terminated and all rights to receive Common Shares thereunder shall be forfeited. In the event that a grantee of a Unit Award ceases to be a Service Provider for any reason other than due to a termination or the disability or death of such grantee, all Unit Award Agreements and all unvested PSUs will be terminated and all rights to receive Common Shares thereunder shall be forfeited as of the last day of any notice period applicable in respect of such voluntary resignation. In the event of the disability or death of the grantee, the vesting date of all PSUs shall be accelerated as of the date of the grantee's death or as of the date of the determination of disability, as applicable, provided that the Board, taking into account the performance of the Corporation and the grantee, may determine the Performance Factor (as such term is defined in the PSU Plan) to be applied in determining the number of PSUs which will vest.

All rights to receive Common Shares pursuant to a Unit Award granted to a Service Provider may only be exercised by such Service Provider personally (except in the event of the death of the grantee of a Unit Award, in which case, Common Shares or cash may be delivered to the grantee's estate or designated beneficiary).

Black-out Periods

The PSU Plan also allows for the extension of the vesting date for a PSU during a black-out period imposed by the Corporation. In the event that the vesting date of a PSU falls within a black-out period or within five business days after a black-out period, the vesting date of such PSU shall be altered to be 10 business days after the black-out period ends.

Administration of the PSU Plan

The PSU Plan shall be administered by the Board. The Board shall have the authority to make Unit Awards, to determine to whom and the times at which Unit Awards will be granted, to determine the fair market value of the Common Shares on any date, to determine the number of PSUs to be awarded pursuant to each Unit Award, to determine the vesting dates of the PSUs, to prescribe, amend and rescind rules and regulations relating to the PSU Plan, to interpret the PSU Plan, to determine the terms and provisions of Unit Award Agreements and to make all other determinations deemed necessary for the administration of the PSU Plan.

Outstanding Unit Awards granted under the PSU Plan may be adjusted in certain events, such as any change in the Common Shares through a reorganization or the granting of rights to Shareholders to purchase Common Shares at prices substantially below fair market value. In these events, the PSU Plan or any Unit Awards may be adjusted by the Board to prevent dilution or enlargement.

Amendment and Termination of the PSU Plan

Under the PSU Plan, the Corporation retains the right to amend from time to time or to suspend, terminate or discontinue the terms and conditions of the PSU Plan and the PSUs granted thereunder by resolution of the Board. The Board shall have the power to approve amendments relating to the Plan or to Unit Awards granted, without further approval of Shareholders, to the extent that such amendment: is to cure any ambiguity, error or omission in the PSU Plan; is necessary to comply with applicable law of any stock exchange on which the Common Shares are listed; is an amendment to the PSU Plan respecting administration and eligibility for participation under the PSU Plan; changes the terms and conditions of which Unit Awards may be or have been granted; alters, extends or accelerates the terms of vesting applicable to any Performance Share Unit; changes the termination provisions of a Performance Share Unit; or is an amendment to the PSU Plan for housekeeping purposes. Any amendments will be subject to the prior consent of any applicable regulatory bodies, including the TSX, and Shareholder approval, as may be required. Amendments having the following result will require Shareholder approval: changing the number of Common Shares issuable under the PSU Plan; material or unreasonable dilution in the number of outstanding Common Shares or any material benefit to a Service Provider; or changing the class of eligible participants to the PSU Plan with the potential of increasing participation by insiders. Any amendment to the PSU Plan shall take effect only with respect to Unit Awards granted after the effective date of such amendment, provided that it may apply to any outstanding Unit Awards with the mutual consent of the Corporation and the Service Providers to whom such Unit Awards have been granted.

SHARE OWNERSHIP GUIDELINES

The Corporation has adopted share ownership guidelines for each director, the CEO, the CFO, the COO and each Vice President who is an officer of the Corporation to further align the interests of directors and executive officers with those of the Shareholders. Directors and executive officers are required to hold a number of Common Shares or PSUs (based on the minimum vesting of 50%) equivalent to the value set out below:

Position	**Value of Common Shares or PSUs to be held**
Director	3 times annual retainer
CEO	3 times annual base salary
CFO and COO	2 times annual base salary
Officer Vice President	1 times annual base salary

The value of the Common Shares or PSUs required to be held by each director and executive officer corresponds to the value which is the higher of: (i) the acquisition price of the Common Shares or the value of the PSUs (based on minimum vesting or 50%) at the grant date; and (ii) the current market price of the Common Shares or the value of the PSUs (based on minimum vesting or 50%) based on the current market price of the Common Shares.

Each director and executive officer must hold the relevant number of Common Shares and/or PSUs within five years of being appointed or elected to the Board or being hired or promoted as an executive officer, as the case may be.

As of the date hereof, each director and executive officer was in compliance with the share ownership guidelines, provided that Messrs. Guest, Begg and Hiscock and Ms. Wood have five years from their respective dates of appointment to satisfy the share ownership thresholds and have not yet achieved those amounts.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding Options, the weighted average exercise price of such outstanding Options and the number of Common Shares remaining available for future issuance under equity compensation plans as at December 31, 2018.

Equity Compensation Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants or rights	Weighted-average exercise price of outstanding options, warrants or rights	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by Shareholders	4,598,667	$1.57	4,024,632 (1)
Equity compensation plans not approved by Shareholders	Nil	N/A	N/A
Total	4,598,667	-	4,024,632

Note:

(1) Based on the figure that is 10% of the issued and outstanding Common Shares that are available for issuance under the Option Plan or PSU Plan as at December 31, 2018. As at December 31, 2018, there were 86,232,988 Common Shares issued and outstanding.

CORPORATE GOVERNANCE

The Corporation's Statement of Corporate Governance Practices is set out in Appendix "A" to this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, which is available on SEDAR at www.sedar.com, neither the Corporation nor any director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them has or has had, at any time since the beginning of the year ended December 31, 2018, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

OTHER BUSINESS

Management of Valeura is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is contained in the Corporation's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2018 and information with respect to the business of the Corporation is contained in the Corporation's annual information for the year ended December 31, 2018. In addition, a Shareholder may obtain copies of the Corporation's financial statements and management's discussion and analysis by contacting the Corporation at Suite 1200, 202 - 6th Avenue S.W., Calgary, Alberta, T2P 2R9, by telephone at (403) 237-7102.

APPENDIX “A”

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

(See Attached)

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Capitalized terms used in this Appendix "A" but not otherwise defined herein shall have the meanings ascribed thereto in the Information Circular to which this Appendix "A" is appended.

The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of the Shareholders but that it also promotes effective decision making at the Board level. The Board is of the view that its approach to corporate governance is appropriate and continues to work to align with the recommendations currently in effect and contained in National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**") which are addressed below.

Mandate of the Board

The Board has responsibility for the stewardship of the Corporation. The Board has adopted a formal written mandate which is set out as Appendix "B" to this Information Circular. In carrying out this mandate, the Board meets regularly and a broad range of matters are discussed and reviewed for approval. These matters include overall corporate plans and strategies, budgets, internal controls and management information systems, risk management as well as interim and annual financial and operating results. The Board is also responsible for the approval of all major transactions, including equity issuances, acquisitions and dispositions, as well as the Corporation's debt and borrowing policies. The Board strives to ensure that actions taken by management correspond closely with the objectives of the Board and Shareholders.

Composition of the Board

Independence

The Board currently consists of six directors who provide the Corporation with a wide diversity of business experience. Additional information for each of the nominee directors can be found under the heading "Meeting Matters - Election of Directors". None of the directors are "Related" as such term is defined by the Canadian Coalition for Good Governance. Four of the current Board members (representing two thirds of the Board), being Messrs. Marchant, Royal and Hiscock and Ms. Wood are independent directors as such term is defined by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). Dr. Guest, as the CEO and President, and Mr. McFarland, as the former CEO, are not independent directors as that term is defined in NI 58-101. Each of the independent directors has no direct or indirect material relationship with the Corporation, including any business or other relationship, which could reasonably be expected to interfere with the director's ability to act with a view to the best interests of the Corporation or which could reasonably be expected to interfere with the exercise of the director's independent judgment.

The table below shows the current Board and committee membership.

		Committees		
	Year Appointed	**Audit**	**Governance and Compensation**	**Reserves & Health, Safety, Security, Environment and Community Relations**
Independent Board Members				
Dr. Timothy R. Marchant (Chair)	2015	Member	Chair	Member
Ronald W. Royal	2010	Member		Chair
Russell J. Hiscock	2018	Chair	Member	

		Committees		
	Year Appointed	Audit	Governance and Compensation	Reserves & Health, Safety, Security, Environment and Community Relations
Kimberley K. Wood	2019	Member	Member	
Not Independent – Management				
Dr. W. Sean Guest	2018			
James D. McFarland	2010			Member

Director Term Limits and Other Mechanics of Board Renewal

The Board has recently undergone changes in its composition with the departures of Messers. Ghersinich and Fanagan and the additions of Messers. Guest and Hiscock and, most recently, Ms. Wood. The Board does not currently have any term limits or an age-based retirement policy for directors, as the Board takes the view that term limits and age-based retirement policies are an arbitrary mechanism for removing directors which can result in valuable, experienced directors being forced to leave the Board solely because of length of service or age. The Board's priorities continue to be ensuring the appropriate skill sets are present amongst the Board to optimize the benefit to the Corporation. The Board conducts annual evaluations of the individual directors, the committees of the Board and the Board Chair, which are overseen by the Governance and Compensation Committee, to ensure these objectives are met and that the Board has a robust evaluation and renewal process. See "Board Assessments".

Other Directorships

The following directors currently serve on the board of directors of the reporting issuers (or equivalent) listed below, each of which are reporting issuers in one or more Canadian (or foreign) jurisdictions.

Name	Name of other Reporting Issuer	Exchange	Committee Appointments
James D. McFarland	Pengrowth Energy Corporation	TSX	Audit and Risk Reserves, Health, Safety and Environment
	MEG Energy Corp.	TSX	Audit Compensation Governance and Nominating Reserves and Health, Safety and Environment
	Arrow Exploration Corp.	TSX Venture Exchange	Audit Compensation Governance and Nomination
Dr. Timothy R. Marchant	Vermilion Energy Inc.	TSX, NYSE	Health, Safety and Environment Reserves Sustainability
	Cub Energy Inc.	TSX Venture Exchange	Audit Compensation, Nominating and Governance Reserves
Ronald W. Royal	Gran Tierra Energy Inc.	TSX	Audit Health, Safety and Environment Reserves
Russell J. Hiscock	None		
Dr. W. Sean Guest	None		

Name	Name of other Reporting Issuer	Exchange	Committee Appointments
Kimberley K. Wood	Africa Oil Corp.	TSX, Nasdaq OMX (Stockholm)	Compensation Corporate Governance and Nominating Project Finance
	Gulf Keystone Petroleum Ltd.	LSE	Audit and Risk Remuneration HSSE and CSR

Directors Serving Together

There are presently no common memberships on boards of public companies among current directors.

Board Meetings

The Board holds a minimum of four regular quarterly meetings and a corporate strategy session each year, as well as additional meetings as required. An *in camera* session of the directors is held at each regularly scheduled Board and committee meeting so that the independent members of the Board have an opportunity to meet without the presence of management members of the Board.

Meeting Attendance

	Board Meetings Attended in 2018[(2)]		Committee Meetings Attended in 2018	
Name	**No.**	**%**	**No.**	**%**
Dr. Timothy R. Marchant	6 of 6	100%	7 of 7[(5)]	100%
James D. McFarland	6 of 6	100%	1 of 1[(6)]	100%
Ronald W. Royal	6 of 6	100%	7 of 7	100%
Russell J. Hiscock	6 of 6	100%	6 of 6	100%
Dr. W. Sean Guest[(3)]	6 of 6	100%	9 of 9[(4)]	100%
Kimberley K. Wood[(7)]	N/A	N/A	N/A	N/A
William T. Fanagan[(1)]	4 of 4	100%	3 of 3	100%
Claudio A. Ghersinich[(1)]	4 of 4	100%	4 of 4	100%

Notes:

(1) Effective May 10, 2018, Messers. Fanagan and Ghersinich no longer served as directors of the Corporation.

(2) Meeting attendance on special and/or other ad hoc committees of directors which may be formed, from time to time, to make recommendations to the Board in regard to a particular matter is not included.

(3) Dr. Guest was appointed to the Board on May 10, 2018, but was requested to attend all Board meetings prior to his appointment during 2018.

(4) Dr. Guest was not a member of any of the three standing committees, but was requested by the chair of each committee to attend the meetings of each such committee during the financial year ended December 31, 2018. At each meeting attended by Dr. Guest the members of each committee meet *in camera* without Dr. Guest.

(5) Dr. Marchant was appointed to the Audit Committee on May 10, 2018.

(6) Mr. McFarland was appointed to the Reserves & Health, Safety, Security, Environment and Community Relations Committee on May 10, 2018.

(7) Ms. Wood was appointed to the Board (and the Audit and Governance and Compensation Committees) on March 26, 2019, and therefore did not attend any Board or committee meetings in 2018.

Orientation and Continuing Education

New directors are provided with an orientation and education program which includes written information about the duties and obligations of directors and the business and operations of the Corporation included in a comprehensive Board manual. New directors are also provided with the opportunity to review documents from recent Board meetings and to participate in meetings and discussions with senior management and other directors. Orientation programs are tailored to meet a director's individual needs and areas of expertise.

Continuing education opportunities are directed at enabling individual directors to maintain or enhance their skills and abilities as directors, as well as ensuring that their knowledge and understanding of the Corporation's affairs remains current. Directors are kept informed as to matters which may impact the Corporation's operations through regular reports and presentations at Board and committee meetings. Non-management directors are encouraged to, and often, attend committee meetings of which they are not members.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**"), which applies to all directors, officers, employees and contractors of the Corporation. In 2012, management and the Board conducted a thorough review of anti-corruption legislation in Canada and Turkey. The Code was subsequently amended to include the Anti-Corruption Policy Relating to Foreign Public Officials (the "**Anti-Corruption Policy**"), and the Board amended the Audit Committee Terms of Reference to provide it with oversight over such policy, with further reporting to and supervision by the Board as appropriate. The Code and the Anti-Corruption Policy are amended from time to time to ensure they satisfy good governance standards, changes in applicable legal requirements and are consistent with the ethical goals and guidelines discussed herein. A complete copy of the Code is available on SEDAR at www.sedar.com.

The Code demonstrates the Corporation's commitment to conducting business ethically, legally and in a safe and fiscally, environmentally and socially responsible manner. It outlines a framework of guiding principles to which each employee, director, officer and contractor is expected to adhere and acknowledge, and this acknowledgement is an annual requirement.

The Code provides that directors, officers, employees and contractors must, among other things:

(a) at all times abide by all applicable laws and respect their intent, including laws related to insider trading and reporting, anti-bribery statutes, anti-money laundering laws. and health, safety and environmental laws;

(b) always act in the best interests of the Corporation;

(c) avoid situations that may result in a conflict or perceived conflict between their personal interests and those of the Corporation;

(d) provide full disclosure of any actual or potential conflicts of interest in accordance with the procedures of the Code;

(e) maintain the confidentiality of all non-public information relating to the Corporation;

(f) not use the Corporation's property for personal benefit;

(g) maintain proper records and ensure compliance with internal controls and financial reporting and accounting standards;

(h) conduct operations with (i) the aim of preventing adverse effects on the environment and local communities and safeguarding life and health, and (ii) in accordance with the UN Global Compact concerning human rights, labour, environment and anti-corruption; and

(i) adhere to the Corporation's commitment to promote the human rights set forth in the United Nations Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

The Board monitors compliance with the Code and reviews it on at least an annual basis to determine whether updates are appropriate. Where a director or officer has any interest in or a perceived conflict involving a contract or business relationship with the Corporation, that director or officer is excluded from all discussions and deliberations regarding the contract or relationship and such director abstains from voting in respect thereof. Directors and executive officers have disclosed to the Corporation all directorships held by such member and the existence and nature of any interests that could result in a conflict situation with the Corporation.

The Board has also adopted a Whistleblower Policy relating to the reporting of inappropriate activity to encourage and promote a culture of ethical business conduct. The Whistleblower Policy is intended to encourage and facilitate the reporting of:

(a) questionable accounting, internal accounting controls, or auditing matters;

(b) the reporting of fraudulent financial information to Shareholders, regulatory agencies or financial markets; and

(c) conduct which results in a violation of law by the Corporation or in substantial mismanagement of the Corporation's resources that, if proven, would constitute a criminal offence or reasonable grounds for dismissal of the person engaging in this conduct, without the fear of recrimination, retaliation or harassment.

Risk Oversight

One of the major responsibilities of the Board is to oversee the identification of the principal risks affecting the Corporation's business and ensure there are systems in place to effectively identify, monitor and manage them. Management and the Board have developed a risk register describing the key areas of risk, the probability of certain events and the systems and controls in place to mitigate those risks. Each of the Board committees also reviews and evaluates the risks covered under their respective mandates, as well as the insurance coverage in place for insurable risks.

Nomination of Directors

The Governance and Compensation Committee has the responsibility for reviewing the composition of the Board by taking into account, among other things, its size and the particular competencies and skills of its members. The Governance and Compensation Committee, in consultation with the Board Chair and CEO, will then identify potential Board nominees and recommend such nominees for election as directors based on the competencies and skills each new member possesses in the context of the needs of the Corporation. The Board as a whole is then responsible for nominating new directors.

The Corporation recognizes that diversity is an economic driver of competitiveness for companies and it strives to promote an environment and culture conducive to the appointment of well qualified persons so that there is appropriate diversity to maximize the achievement of corporate goals. In March 2018, the Corporation adopted a written diversity policy relating to the identification and nomination of women directors, executive officers and senior management appointments (the "**Diversity Policy**"). The Diversity Policy includes the gender of a potential candidate as one component in the overall list of factors the Governance and Compensation Committee considers when selecting candidates for executive officer and senior manager appointments, and membership on the Board and its committees. The Corporation has not adopted targets regarding women on the Board as it does not believe that such targets are necessary at this time given the size of the Board and that the director nomination process recognizes the benefits of diversity. In 2018 and 2019, the Governance and Compensation Committee and the Board conducted a search for new directors to enhance the composition of the Board, identifying gender diversity as a factor the Board wished to address if a female candidate with the appropriate qualifications and skill set was identified. Following the search, the Board identified Ms. Kimberley K. Wood, and she was appointed to the Board on March 26, 2019, and will serve as a member of the Audit Committee and the Governance and Compensation Committee. With the addition of Ms. Wood, 17% of the Board members are women.

Board Assessments

The Board is responsible for ensuring that there is a process in place for annually evaluating the effectiveness and contribution of the CEO, the Board, the committees of the Board, the Board Chair and the individual directors based on their applicable terms of reference or position description.

The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement and Board renewal as appropriate from time to time. In addition to any other matters the Board deems relevant, the assessments may consider in the case of the Board or a committee, the applicable terms of reference, the applicable position descriptions, as well as the competencies and skills each individual director is expected to bring to the Board.

The Governance and Compensation Committee annually reviews and makes recommendations to the Board on the method and content of such evaluations and oversees the evaluation and Board renewal process. The Governance and Compensation Committee has developed an annual Board effectiveness survey which includes an individual director self-evaluation questionnaire and guide and evaluation of peer performance. The evaluation uses confidential director questionnaires and anonymous summaries of results, which encourage candid and constructive commentary. Confidentiality of individual director comments is maintained.

Areas of Expertise

Valeura maintains a skills matrix to evaluate the skill set of the Board. The intent is to ensure the Board as a whole has the range of skills, expertise and experience to fulfill the overall mandate effectively. Each director indicates his level of expertise in each area annually on a four-point scale from limited (one) to expert application (four). There were no significant gaps identified in any of the desired skill areas. The matrix helps the Corporation identify gaps and is used to search for new directors.

The Governance and Compensation Committee reviewed the completed skills matrix and evaluations for 2018 and noted that the Board as a whole rated its aggregate score as between the skilled and expert level, with no significant gaps identified in any of the desired skill areas. The Governance and Compensation Committee is therefore satisfied that the Board has the appropriate experience and expertise at this time to ensure that each of these areas is well-addressed and the Board is performing well. However, given the small size of the Board, consideration is being given to adding an additional new director in 2019 in the normal course as part of a Board renewal process. The table below highlights the skill areas assessed.

Skill/Experience Description
Managing/Leading Growth – Senior executive experience leading significant growth agenda through mergers and acquisitions. Demonstrates knowledge in developing long term corporate business strategies.
Global – Experience leading an international operation. Has a solid understanding of cultural and industry environments in the regions where the Corporation operates.

Skill/Experience Description
Government Relations/Regulatory - Broad regulatory, political and public policy experience at Canadian and international levels.
CEO/Senior Officer – Experience working as a CEO or senior officer for an organization of size similar to or greater than the Corporation.
Industry Knowledge – Maintains an understanding of the regulatory, business, social and political environments in which the Corporation operates. Becomes knowledgeable about the Corporation's business including industry trends and key competitors.
Oil and Gas – Senior executive experience in the oil and gas industry, combined with a strong knowledge of the Corporation's strategy and operations. May have formal training in engineering, geology, and/or geophysics.
Company Knowledge – Becomes generally knowledgeable about the Corporation's business, including operations, markets, challenges, opportunities and internal control systems. Established knowledge of the Corporation's senior management team and other high potential senior employees.
Governance/Board – Prior or current experience as a board member of a Canadian operation (public, private or non-profit sectors).
Financial and Operational Acumen – Senior executive experience in financial accounting and reporting and corporate finance. Familiarity with internal financial controls. Knowledge of and ability to evaluate strategic operating, capital and financing plans.
Compensation – Senior executive experience or board compensation committee participation with a thorough understanding of compensation, benefits and long term incentive programs, legislation and agreements. This includes specific expertise in executive compensation programs including base pay, incentives, equity and perquisites.
Health, Safety & Environment – Thorough understanding of industry regulations and public policy related to workplace health, safety and environment. Demonstrated commitment to the Corporation's health and safety values and knowledge of current programs.
Social Responsibility – Demonstrated understanding and commitment to the Corporation's social responsibility values and programs.
Diversity – Contributes to the Board in a way that enhances perspectives through diversity in gender, ethnic background, geographic origin, experience (industry and public, private and non-profit sectors), etc.
Personal Effectiveness – Full and frank participation, effective, independent and respected presence. Displays personal effectiveness through interaction with others including Board members and company representatives.

Board Committees

The Board has three standing committees, being the Audit Committee, the Governance and Compensation Committee and the Reserves & Health, Safety, Security, Environment and Community Relations Committee. Below is a description of the committees and their current membership.

Audit Committee

The Audit Committee is currently comprised of Russell J. Hiscock (Chair), Timothy R. Marchant, Ronald W. Royal and Kimberley K. Wood. All members are independent directors that the Board has determined are "financially literate" as defined in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**").

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing: (i) the financial information that will be provided to Shareholders and others; (ii) the systems of internal controls management and the Board have established; and (iii) all audit functions.

Further information relating to the Audit Committee, including its Terms of Reference, can be found under the heading "Audit Committee" in the Corporation's annual information form for the year ended December 31, 2018 and filed on SEDAR at www.sedar.com.

Governance and Compensation Committee

The Governance and Compensation Committee is currently comprised of Timothy R. Marchant (Chair), Russell J. Hiscock and Kimberley K. Wood. All three members are independent directors.

The key responsibilities of the Governance and Compensation Committee include:

- reviewing and considering the current and long term composition of the Board and the Board renewal process, and recommending nominees for election as members of the Board;

- reviewing, monitoring and making recommendations regarding the orientation and ongoing development of directors;

- reviewing the Board manual periodically including the terms of reference for the Board, the Board Chair, the CEO, individual directors and Board committees;

- reviewing the director compensation program and making recommendations to the Board accordingly;

- implementing evaluations of the CEO, the Board, the Board Chair, Board committees and individual directors, and overseeing the Board renewal process;

- appointing and overseeing the Corporation's disclosure committee (a management committee) and public disclosure matters;

- overseeing the Code and ensuring a system to monitor compliance is in place;

- reviewing the corporate governance practices of the Corporation and, if appropriate, recommending changes to the Board;

- reviewing and recommending corporate goals and objectives for the CEO to be considered in determining his compensation and performance evaluation;

- reviewing management resources and succession plans to ensure that qualified personnel will be available for succession to executive positions;

- reviewing and recommending the compensation philosophy, guidelines and plans for the Corporation's employees and executives, and consider the risk implications of such policies and practices; and

- in consultation with the CEO, reviewing the compensation principles for base salaries, bonuses, long term incentives and benefit plans and approve the compensation for the executive team (including the CEO).

The Governance and Compensation Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to determine the compensation of such advisors. The Corporation retained Lattoni & Associates in 2017 and 2018 as an independent compensation consultant to assist the Governance and Compensation Committee with its executive and director compensation deliberations. Prior to Lattoni & Associates having been retained, the Corporation had retained Total Reward Professionals from 2011 to 2017 as independent compensation consultant. The consultant's role included, but was not limited to: (i) advising the Governance and Compensation Committee on emerging trends and developments in compensation; (ii) advice and recommendations regarding the Compensation Peer Group; and (iii) reviewing and advising on the overall compensation blueprint including overall strategy, target positioning, proxy comparators, survey comparators, performance metrics, pay element design and compensation levels under the various components of the Corporation's compensation plan.

The table below shows the fees paid to the Corporation's compensation consultants over the last two years:

Services Performed	Fees paid in 2018	Fees paid in 2017
Executive compensation-related fees	$14,525.00	Total Rewards Professionals: $11,187.50 Lattoni & Associates: $3,191.25
All other fees	Nil	Nil
TOTAL:	**$14,525.00**	**$14,378.75**

The Governance and Compensation Committee holds *in camera* meetings, without management present, at every regularly scheduled meeting of the Governance and Compensation Committee, and meets *in-camera* with the Corporation's independent compensation consultant. The Governance and Compensation Committee meets at least two times annually.

The Corporation recognizes that diversity is an economic driver of competitiveness for companies and it strives to promote an environment and culture conducive to the appointment of well qualified persons so that there is appropriate diversity to maximize the achievement of corporate goals. In March 2018, the Corporation adopted the Diversity Policy, which includes the gender of a potential candidate as one component in the overall list of factors the Governance and Compensation Committee considers when selecting candidates for executive officer and senior manager appointments, and membership on the Board and its committees. Following the Governance and Compensation Committee's search in 2018 and 2019 for new directors to enhance the composition of the Board, Ms. Kimberley K. Wood was appointed to the Board on March 26, 2019, and will serve as a member of the Audit Committee and the Governance and Compensation Committee. The Corporation has not adopted targets regarding women in executive officer positions as it does not believe that such targets are necessary at this time given the size of the Corporation and that the executive officer recruitment process recognizes the benefits of diversity. Currently, there are no women in executive officer positions. Ms. Stimpson, a partner of Torys LLP, has served as Corporate Secretary (an officer) of the Corporation since the incorporation of Northern Hunter Energy Inc. in 2006 and she is present at all Board and committee meetings.

Reserves & Health, Safety, Security, Environment and Community Relations Committee

The Reserves & Health, Safety, Security, Environment and Community Relations Committee is comprised of Ronald W. Royal (Chair), Timothy R. Marchant and James D. McFarland. Messers. Royal and Marchant are independent directors, and Mr. McFarland is not independent.

The key responsibilities of the Reserves & Health, Safety, Security, Environment and Community Relations Committee include:

- reviewing the selection and qualifications of the independent engineering firm(s) responsible for the estimate of reserve and resource quantities, the scope of its work and ensuring consistency of its practices and standards and all matters related to the independent engineering firm(s);

- reviewing with the independent engineering firm the evaluation report and summary of the reserves and future cash flows of the Corporation's oil and gas properties;

- assisting the Board in respect of matters related to evaluations of petroleum and natural gas reserves and resources;

- reviewing the health, safety, security, environment and community relations policies, activities and performance of the Corporation on behalf of the Board to ensure compliance with applicable laws, regulations, policies and industry standards; and

- advising and making recommendations to the Board, as appropriate on matters relating to health, safety, security, the environment and community relations.

The Reserves & Health, Safety, Security, Environment and Community Relations Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to determine the compensation of such advisors.

The Reserves & Health, Safety, Security, Environment and Community Relations Committee holds *in camera* meetings, without management present, at every regularly scheduled meeting of the Reserves & Health, Safety, Security, Environment and Community Relations Committee, and meets *in camera* with the Corporation's independent engineering firm(s). The Reserves & Health, Safety, Security, Environment and Community Relations Committee meets at least two times annually.

Position Descriptions

The Board has developed written position descriptions which identify the responsibilities of the Board chair, the CEO and President, each committee of the Board and each Director.

APPENDIX "B"

TERMS OF REFERENCE OF THE BOARD

(See Attached)

TERMS OF REFERENCE OF THE BOARD

1. INTRODUCTION

(a) The Board's primary responsibility is to foster the long-term success of Valeura Energy Inc. (the "**Corporation**")[1] consistent with the Board's responsibility to the shareholders to maximize shareholder value.

(b) The Board of Directors has plenary power. Any responsibility not delegated to management or a committee of the Board remains with the Board.

(c) These terms of reference are prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

2. COMPOSITION AND BOARD ORGANIZATION

(a) Nominees for directors are initially considered and recommended by the Governance and Compensation Committee of the Board, approved by the entire Board and elected annually by the shareholders of the Corporation.

(b) At least two-thirds of directors comprising the Board must qualify as independent directors. Any future expansion of the Board will be targeted to maintain two-thirds of the directors as independent.

(c) Certain of the responsibilities of the Board referred to herein may be delegated to committees of the Board. The responsibilities of those committees will be as set forth in their terms of reference, as amended from time to time.

3. DUTIES AND RESPONSIBILITIES

(a) **Managing the Affairs of the Board**

The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. The legal obligations of the Board are described in detail in Section IV. Subject to these legal obligations and to the Articles and By-laws of the Corporation, the Board retains the responsibility for managing its own affairs, including:

(i) planning its composition and size;

(ii) selecting and setting the terms of reference for the Board Chair;

(iii) nominating candidates for election to the Board;

(iv) appointing committees;

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[1] Reference to the Corporation's operations and employees and matters related thereto shall include the Corporation's subsidiaries, as applicable.

(v) determining director compensation; and

(vi) assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities.

(b) **Management and Human Resources**

The Board has the responsibility for:

(i) the appointment and succession of the President and Chief Executive Officer (the "CEO") and monitoring CEO performance, approving CEO compensation and providing advice and counsel to the CEO in the execution of the CEO's duties;

(ii) approving terms of reference for the CEO;

(iii) in consultation with the CEO, approve annual objectives that the CEO is responsible for meeting;

(iv) reviewing CEO performance at least annually, against agreed upon written objectives;

(v) approving decisions relating to senior management, including the:

(A) appointment and discharge of officers;

(B) compensation and benefits for executive officers;

(C) CEO's acceptance of public service commitments or outside directorships; and

(D) employment contracts, termination and other special arrangements with executive officers, or other employee groups.

(vi) ensuring succession planning programs are in place, including programs to train and develop management;

(vii) approving certain matters relating to all employees, including:

(A) the annual salary policy/program for employees; and

(B) new benefit programs or material changes to existing programs.

(c) **Strategy and Plans**

The Board has the responsibility to:

(i) participate with management, in the development of, and ultimately approve, the Corporation's strategic plan;

(ii) approve the annual business plans that enable the Corporation to realize its objectives;

(iii) approve annual capital and operating budgets which support the Corporation's ability to meet its strategic objectives;

(iv) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Corporation;

(v) approve material divestitures and acquisitions; and

(vi) monitor the Corporation's progress towards its goals, and to revise and alter its direction through management in light of changing circumstances.

(d) **Financial and Corporate Issues**

The Board has the responsibility to:

(i) with consideration to the recommendation of the Audit Committee, nominate an External Auditor for approval by shareholders; and if the Board does not adopt the Audit Committee's recommendation for External Auditor, ensure this fact is disclosed in the Annual Information Form;

(ii) with consideration to the recommendation of the Audit Committee, approve the compensation of the External Auditor; and if the Board does not adopt the Audit Committee's recommendation, ensure this fact is disclosed in the Annual Information Form;

(iii) take reasonable steps to ensure the implementation and integrity of the Corporation's internal control and management information systems;

(iv) review operating and financial performance relative to budgets or objectives;

(v) approve annual and quarterly financial statements and approve release thereof by management;

(vi) approve the Management Proxy Circular, Annual Information Form and documents incorporated by reference therein;

(vii) approve financings, changes in authorized capital, issue and repurchase of units, issue of debt securities, listing of units and other securities, issue of commercial paper, and related prospectuses;

(viii) submitting to the shareholders of the Corporation, any question or matter requiring approval

(ix) approve the commencement or settlement of litigation that may have a material impact on the Corporation; and

(x) adopting, amending or repealing the By-laws of the Corporation.

(e) **Business and Risk Management**

The Board has the responsibility to:

(i) ensure management identifies the principal risks of the Corporation's business and implements appropriate systems to manage these risks;

(ii) assess and monitor management control systems:

(A) evaluate and assess information provided by management and others (e.g., internal and external auditors) about the effectiveness of management control systems; and

(B) understand principal risks and determine whether the Corporation achieves a proper balance between risk and returns.

(f) **Policies and Procedures**

The Board has the responsibility to:

(i) approve and monitor compliance with all significant policies and procedures by which the Corporation is operated;

(ii) direct management to ensure the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards;

(iii) adopt a written Code of Business Conduct and Ethics; and

(iv) review significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflict of interest and the environment).

(g) **Compliance Reporting and Corporate Communications**

The Board has the responsibility to:

(i) ensure the Corporation has in place effective and timely communication processes with shareholders, other stakeholders, the public in general and financial, regulatory and other recipients;

(ii) approve interaction with shareholders on all items requiring shareholder response or approval;

(iii) ensure that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;

(iv) ensure the financial results are reported fairly and in accordance with applicable accounting principles and financial reporting standards (including IFRS);

(v) ensure the timely reporting of any other developments that have a significant and material impact on the value of the Corporation; and

(vi) report annually to shareholders on the Board's stewardship for the preceding year (through an annual report or otherwise).

4. **GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS**

(a) The Board is responsible for:

(i) directing management to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained; and

(ii) approving matters requiring shareholder approval, and agendas for shareholder meetings.

(b) Legal requirements for the Board include:

(i) to act honestly and in good faith with a view to the best interests of the Corporation; and

(ii) to exercise the care, diligence and skill that reasonably prudent people would exercise in comparable circumstances.