valeura energy inc.

Notice of Meeting

and

Information Circular

in respect of the

ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on June 23, 2022

May 6, 2022

VALEURA ENERGY INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 23, 2022 AND NOTICE OF AVAILABILITY OF MEETING MATERIALS

TO THE SHAREHOLDERS OF VALEURA ENERGY INC.

NOTICE IS HEREBY GIVEN that an annual general meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") in the capital of Valeura Energy Inc. (the "**Corporation**") will be held at the Northcote and Angus Rooms at the Bow Valley Square Conference Centre, Level 3, Bow Valley Square 2, 205-5th Avenue SW, Calgary, Alberta, at 4:00 p.m. (Calgary time) on June 23, 2022 for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2021 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 (the "**Information Circular**") accompanying this Notice of Annual General Meeting of Shareholders (the "**Notice of Meeting**") for more detailed information with respect to the matters to be considered at the Meeting.

The Corporation has decided to use notice and access to deliver the Information Circular and its 2021 financial statements and related management's discussion and analysis (collectively, the "**Meeting Materials**") to beneficial Shareholders. Notice and access is a set of rules developed by the Canadian Securities Administrators that allows companies to post meeting materials online, reducing paper and mailing costs. However, together with this Notice of Meeting, Shareholders continue to receive a proxy (in the case of registered Shareholders) or voting instruction form (in the case of beneficial Shareholders), enabling them to vote at the Meeting. The Corporation encourages and reminds all Shareholders to review the Information Circular before voting.

If you are a registered Shareholder or you have given the Corporation instructions to send you printed copies of the Meeting Materials, the Information Circular accompanies this Notice of Meeting, and the Corporation has mailed you a copy of its 2021 financial statements and related management's discussion and analysis. All other Shareholders can download the Meeting Materials from the Corporation's website at www.valeuraenergy.com or from the Corporation's profile on SEDAR at www.sedar.com.

If you prefer to have printed copies of the Meeting Materials, please contact the Corporation at 1-403-237-7102 or by email at IR@valeuraenergy.com. Please note that in order to receive the Meeting Materials in advance of the proxy deposit date, your request for printed copies must be received by the Corporation by June 15, 2022.

Shareholders with questions about notice and access can call toll free at 1-855-887-2244.

The Corporation currently intends to hold the Meeting in person if permitted by applicable laws and health orders at such time. However, in light of the continuing coronavirus (COVID-19) situation, the Corporation encourages Shareholders to vote in advance of the Meeting and to listen to the live webcast using the below instructions rather than attending in person:

Participants are advised to install the Microsoft Teams app in advance.

Click here to access the webcast, or copy-paste the following link into your browser:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_MjkxYjYzMDctMGM0Ny00NzExLTg4NTctNTViZTUwYTAyZDcy%40thread.v2/0?context=%7b%22Tid%22%3a%22a196a1a0-4579-4a0c-b3a3-855f4db8f64b%22%2c%22Oid%22%3a%22241f769c-12ae-4efc-8c14-d2e523040a83%22%2c%22IsBroadcastMeeting%22%3atrue%7d&btype=a&role=a

An audio only feed of the Meeting is available by phone using the Conference ID and dial-in numbers below:

Conference ID: 681 660 952#

Dial-in numbers:
Canada: (833) 845-9589
Singapore: +65 6450 6302
Thailand: +66 2 026 9035
Turkey: 00800142034779
UK: 0800 640 3933
USA: (833) 846-5630

The Corporation is actively monitoring the ongoing COVID-19 situation and is sensitive to the public health and travel concerns that Shareholders may have and the protocols that federal, provincial, and local governments may impose. In the event it is not possible or advisable to hold the Meeting in person, the Corporation will announce alternative arrangements for the Meeting as promptly as practicable. Please monitor its annual meeting website at https://www.valeuraenergy.com/investor-information/calendar/ for updated information.

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 4:00 p.m. (Calgary time) on June 21, 2022 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 May 13, 2022 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

May 6, 2022

INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 23, 2022

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 general meeting (the "Meeting") of the holders ("Shareholders") of common shares ("Common Shares") in the capital of Valeura.

The Meeting will be held at the Northcote and Angus Rooms at the Bow Valley Square Conference Centre, Level 3, Bow Valley Square 2, 205-5th Avenue SW, Calgary, Alberta, at 4:00 p.m. (Calgary time) on June 23, 2022 and at any adjournment(s) or postponement(s) thereof for the purposes set forth in the Notice of Annual General Meeting of Shareholders (the "**Notice of Meeting**") accompanying this Information Circular. Information contained herein is given as of May 6, 2022 and all dollar amounts are expressed in the lawful currency of Canada, unless otherwise specifically stated. The Corporation has adopted the United States dollar as the presentation currency in its consolidated financial statements.

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.

The Corporation has decided to use notice and access to deliver this Information Circular and its 2021 financial statements and related management's discussion and analysis (collectively, the "**Meeting Materials**") to Beneficial Shareholders (as defined herein). Notice and access is a set of rules developed by the Canadian Securities Administrators that allows companies to post meeting materials online, reducing paper and mailing costs. However, together with the Notice of Meeting, Shareholders continue to receive a proxy (in the case of registered Shareholders) or voting instruction form (in the case of Beneficial Shareholders), enabling them to vote at the Meeting.

If you are a registered Shareholder or you have given the Corporation instructions to send you printed copies of the Meeting Materials, the Notice of Meeting accompanies this Information Circular and the Corporation has mailed you a copy of its 2021 financial statements and related management's discussion and analysis. All other Shareholders can download the Meeting Materials from the Corporation's website at www.valeuraenergy.com or from the Corporation's profile on SEDAR at www.sedar.com.

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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 4:00 p.m. (Calgary time) on June 21, 2022 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 scannable 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 4:00 p.m. (Calgary time) on June 21, 2022 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 May 13, 2022 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.	14,362,768	16.59%

As of the date hereof, the directors and executive officers of Valeura, as a group, beneficially own, directly or indirectly, 1,701,124 Common Shares representing approximately 1.96% 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 5,385,000 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 7,086,124 Common Shares representing approximately 7.60% of the issued and outstanding Common Shares (on a partially diluted basis).

As of the date hereof, no performance share units ("**PSUs**") or restricted share units ("**RSUs**", and collectively with the PSUs, "**Unit Awards**") have been issued pursuant to the Corporation's performance and restricted share unit plan (the "**PRSU Plan**").

MEETING MATTERS

Receipt of the Financial Statements and Auditors' Report

The audited financial statements of the Corporation for the period ended December 31, 2021 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 or she is elected until the next annual meeting or until his successor is elected or appointed. At the Meeting, a board of seven 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 seven 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: 60 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 29 years of international experience in the oil and gas industry, including 19 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. Prior to joining Valeura, he was CEO of two private, junior international companies with exploration and production operations in Australia, Indonesia, Malaysia and Ethiopia

Board/Committee Membership	**2021 Attendance**(1)		**2021 Attendance (Total)**	
Board Not a Committee Member	12 of 12 9 of 9 (5)	100% 100%(5)	22 of 22	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*
412,990 (2)	239,534(3)	Requirement to be satisfied within five years of appointment date.(4)

Options Held (as of December 31, 2021)			
Expiry Date	*Number Granted*	*Exercise Price*	*Total Unexercised*
March 24, 2028	550,000	$0.52	550,000
March 17, 2027	550,000	$0.25	550,000
May 17, 2024	600,000	$0.75	600,000

Voting Results of 2021 Annual Meeting
96.99% (votes for) / 3.01% (votes withheld)

Timothy R. Marchant

Chair

Calgary, Alberta, Canada

Director Since: April 15, 2015

Age: 71

Independent

Dr. Marchant brings more than 42 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, a director of Vermilion Energy Inc. (a TSX and NYSE listed issuer) since 2010, a director of TransGlobe Energy Corporation (a TSX, NASDAQ and AIM listed issuer) since March 2020 and a director of Cub Energy Inc. (a TSXV listed issuer) from 2013 to April 2020, and again since 2021.

Board/Committee Membership(6)	**2021 Attendance**(1)		**2021 Attendance (Total)**	
Board Governance and Compensation Committee Reserves & Health, Safety, Security, Environment and Community Relations Committee	12 of 12 4 of 4 1 of 1	100% 100% 100%	21 of 21	100%

Current Public Board Membership

Vermilion Energy Inc. (TSX, NYSE)
TransGlobe Energy Corporation (TSX, NASDAQ, AIM)
Cub Energy Inc. (TSXV)

Educational Background

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.

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

Common Shares	*Total Amount at Risk*	*Satisfies Share Ownership Requirements*
255,500 (2)	$148,190(3)	Yes

Options Held (as of December 31, 2021)

Expiry Date	*Number Granted*	*Exercise Price*	*Total Unexercised*
March 24, 2028	100,000	$0.52	100,000
March 17, 2027	100,000	$0.25	100,000
March 17, 2024	30,000	$0.73	30,000
March 23, 2023	20,000	$0.75	20,000
April 15, 2022	100,000	$0.68	100,000

Voting Results of 2021 Annual Meeting

95.55% (votes for) / 4.45% (votes withheld)

<table>
<tr><td rowspan="16">James D. McFarland

Calgary, Alberta, Canada

Director Since: June 29, 2010

Age: 75

Not Independent</td><td colspan="4">Mr. McFarland was a consultant of Valeura after his retirement from January 1, 2018 until October 31, 2020. 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 MEG Energy Corp. (a TSX listed issuer) since 2010. He was previously a director of Pengrowth Energy Corporation (a TSX listed issuer) from 2010 to January 2020 and Arrow Exploration Corp. from 2018 to January 2020 (a TSXV listed issuer).
Mr. McFarland has more than 49 years of oil and gas experience in Canada, the USA, Europe, Australia and Libya, of which 28 years were in executive officer roles, and included an initial a 23-year career with Imperial Oil Limited and other ExxonMobil affiliates.
Mr. McFarland is a Life Member of both the Association of Professional Engineers and Geoscientists of Alberta and the Society of Petroleum Engineers International, and a member of 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.</td></tr>
<tr><td colspan="4"><table><tr><td>Board/Committee Membership(7)</td><td colspan="2">2021 Attendance(1)</td><td colspan="2">2021 Attendance (Total)</td></tr><tr><td>Board
Reserves & Health, Safety, Security, Environment and Community Relations Committee</td><td>12 of 12
1 of 1</td><td>100%
100%</td><td>13 of 13</td><td>100%</td></tr></table></td></tr>
<tr><td colspan="4">Current Public Board Membership</td></tr>
<tr><td colspan="4">MEG Energy Corp. (TSX)</td></tr>
<tr><td colspan="4">Educational Background</td></tr>
<tr><td colspan="4">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.</td></tr>
<tr><td colspan="4">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="2">Satisfies Share Ownership Requirements</td></tr>
<tr><td>551,134(2)</td><td>$319,658(3)</td><td colspan="2">Yes</td></tr>
<tr><td colspan="4">Options Held (as of December 31, 2021)</td></tr>
<tr><td>Expiry Date</td><td>Number Granted</td><td>Exercise Price</td><td>Total Unexercised</td></tr>
<tr><td>March 24, 2028</td><td>100,000</td><td>$0.52</td><td>100,000</td></tr>
<tr><td>March 17, 2027</td><td>100,000</td><td>$0.25</td><td>100,000</td></tr>
<tr><td>March 17, 2024</td><td>190,000</td><td>$0.73</td><td>190,000</td></tr>
<tr><td>March 23, 2023</td><td>140,000</td><td>$0.75</td><td>140,000</td></tr>
<tr><td>March 13, 2022</td><td>349,000</td><td>$0.57</td><td>349,000</td></tr>
<tr><td></td><td colspan="4">Voting Results of 2021 Annual Meeting</td></tr>
<tr><td></td><td colspan="4">97.25% (votes for) / 2.75% (votes withheld)</td></tr>
</table>

<table>
<tr><td rowspan="14">Ronald W. Royal

Abbotsford, British Columbia, Canada

Director Since: June 29, 2010

Age: 73

Independent</td><td colspan="5">Mr. Royal has been a private businessman since April 2007. He has been a director of Gran Tierra Energy Inc. (a TSX, NYSE and LSE listed issuer) 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 41 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.</td></tr>
<tr><td>Board/Committee Membership[8]</td><td colspan="2">2021 Attendance[1]</td><td colspan="2">2021 Attendance (Total)</td></tr>
<tr><td>Board
Audit Committee
Reserves & Health, Safety, Security, Environment and Community Relations Committee</td><td>12 of 12
4 of 4
1 of 1</td><td>100%
100%
100%</td><td>17 of 17</td><td>100%</td></tr>
<tr><td colspan="5">Current Public Board Membership</td></tr>
<tr><td colspan="5">Gran Tierra Energy Inc. (TSX; NYSE; LSE)</td></tr>
<tr><td colspan="5">Educational Background</td></tr>
<tr><td colspan="5">Mr. Royal holds a Bachelor of Applied Science degree in Mechanical Engineering from the University of British Columbia.</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>314,000[2]</td><td>$182,120[3]</td><td colspan="3">Yes</td></tr>
<tr><td colspan="5">Options Held (as of December 31, 2021)</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 24, 2028
March 17, 2027
March 17, 2024
March 23, 2023
March 13, 2022</td><td>100,000
100,000
30,000
20,000
51,000</td><td>$0.52
$0.25
$0.73
$0.75
$0.57</td><td colspan="2">100,000
100,000
30,000
20,000
51,000</td></tr>
<tr><td colspan="5">Voting Results of 2021 Annual Meeting
96.99% (votes for) / 3.04% (votes withheld)</td></tr>
</table>

<table>
<tr><td rowspan="15">Russell J. Hiscock

Baie-d'Urfe, Québec, Canada

Director Since: January 10, 2018

Age: 70

Independent</td>
<td colspan="4">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.
Mr. Hiscock was previously a director of Rife Resources Ltd. from April 2008 until 2021 (Chairman from 2008 to April 2018). He is on the Board of Governors of the University of Waterloo.
He is a Certified Chartered Financial Analyst and a Certified Management Accountant.</td></tr>
<tr><td>Board/Committee Membership[9]</td><td colspan="2">2021 Attendance[1]</td><td>2021 Attendance (Total)</td></tr>
<tr><td>Board
Audit Committee
Governance and Compensation Committee</td><td>12 of 12 100%
4 of 4 100%
4 of 4 100%</td><td></td><td>20 of 20 100%</td></tr>
<tr><td colspan="4">Current Public Board Membership</td></tr>
<tr><td colspan="4">None</td></tr>
<tr><td colspan="4">Educational Background</td></tr>
<tr><td colspan="4">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="4">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="2">Satisfies Share Ownership Requirements</td></tr>
<tr><td>65,000 [2]</td><td>$37,700[3]</td><td colspan="2">Requirement to be satisfied within five years of appointment date.[4]</td></tr>
<tr><td colspan="4">Options Held (as of December 31, 2021)</td></tr>
<tr><td>Expiry Date</td><td>Number Granted</td><td>Exercise Price</td><td>Total Unexercised</td></tr>
<tr><td>March 24, 2028</td><td>100,000</td><td>$0.52</td><td>100,000</td></tr>
<tr><td>March 17, 2027</td><td>100,000</td><td>$0.25</td><td>100,000</td></tr>
<tr><td colspan="4">Voting Results of 2021 Annual Meeting
97.41% (votes for) / 2.59% (votes withheld)</td></tr>
</table>

Kimberley K. Wood London, United Kingdom Director Since: March 26, 2019 Age: 52 Independent	**Ms. Wood** is a legal professional with 21 years' experience and a specialist in the oil and gas sector. Most recently she was Head of Oil and Gas for Europe and Middle East at Norton Rose Fulbright LLP and remains a Senior Consultant for the firm. Throughout her career she has advised a wide range of companies in the sector, from small independents through to super-majors. Ms. Wood was a Partner at Vinson & Elkins LLP from February 2011 to April 2015 and was previously at Dewey & LeBoeuf LLP. She is included in Who's Who Legal Energy 2021 and as an expert in Energy and Natural Resources in Women in Business Law, 2021. Ms. Wood has been a Non-Executive Director of Africa Oil Corp (a TSX and NASDAQ OMX listed issuer) since April 2018, a Non-Executive Director of Gulf Keystone Petroleum (a LSE listed issuer) since October 2018, and a Non-Executive Director of Energean PLC (a LSE and TASE listed issuer) since July 2020.

Board/Committee Membership(10)	**2021 Attendance**		**2021 Attendance (Total)**	
Board Audit Committee Governance and Compensation Committee	11 of 12 4 of 4 4 of 4	92% 100% 100%	19 of 20	95%

Current Public Board Membership
Africa Oil Corp. (TSX, Nasdaq OMX) Gulf Keystone Petroleum (LSE) Energean PLC (LSE, TASE)

Educational Background
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.

Common Shares Controlled or Directed (as of the date hereof)		
Common Shares	*Total Amount at Risk*	*Satisfies Share Ownership Requirements*
Nil(2)	Nil(3)	Requirement to be satisfied within five years of appointment date.(4)

Options Held (as of December 31, 2021)			
Expiry Date	*Number Granted*	*Exercise Price*	*Total Unexercised*
March 24, 2028	100,000	$0.52	100,000
March 17, 2027	100,000	$0.25	100,000

Voting Results of 2021 Annual Meeting
94.83% (votes for) / 5.17% (votes withheld)

<table>
<tr><td rowspan="14">Timothy N. Chapman

London, United Kingdom

Director Since: January 7, 2020

Age: 53

Independent</td><td colspan="4">Mr. Chapman is an international capital markets specialist residing in London with more than 32 years of experience spanning the globe. His career includes 25 years in investment banking roles with large financial institutions including JP Morgan Chase, CIBC World Markets, and finally RBC Capital Markets where he was head of international oil & gas. Mr. Chapman's career has focused on corporate strategy and valuation, regularly providing expert advice to many companies on seminal M&A transactions and capital raises. His experience within the oil and gas sector is diverse, including upstream, downstream and oilfield services companies. In 2015, Mr. Chapman founded Geopoint Advisory Limited which provides independent advice to energy companies. He is also a director of certain Petrogas North Sea subsidiaries. Mr. Chapman started his professional life as a geologist and graduated from Earth Sciences at Oxford University.</td></tr>
<tr><td>Board/Committee Membership(11)</td><td>2021 Attendance</td><td>2021 Attendance (Total)</td><td></td></tr>
<tr><td>Board
Audit Committee
Reserves & Health, Safety, Security, Environment and Community Relations Committee</td><td>11 of 12 — 92%
4 of 4 — 100%
1 of 1 — 100%</td><td>16 of 17</td><td>94%</td></tr>
<tr><td colspan="4">Current Public Board Membership</td></tr>
<tr><td colspan="4">None</td></tr>
<tr><td colspan="4">Educational Background</td></tr>
<tr><td colspan="4">Mr. Chapman holds a BA in Geology from Oxford University.</td></tr>
<tr><td colspan="4">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="2">Satisfies Share Ownership Requirements</td></tr>
<tr><td>Nil(2)</td><td>Nil(3)</td><td colspan="2">Requirement to be satisfied within five years of appointment date.(4)</td></tr>
<tr><td colspan="4">Options Held (as of December 31, 2021)</td></tr>
<tr><td>Expiry Date
March 28, 2028
January 7, 2027</td><td>Number Granted
100,000
100,000</td><td>Exercise Price
$0.52
$0.54</td><td>Total Unexercised
100,000
100,000</td></tr>
<tr><td colspan="4">Voting Results of 2021 Annual Meeting</td></tr>
<tr><td colspan="4">98.83% (votes for) / 1.17% (votes withheld)</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) 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.

(3) The value of the Common Shares held by the directors is calculated by multiplying the amount of Common Shares held by $0.58, the closing price of Common Shares on the TSX on May 6, 2022.

(4) Valeura's share ownership guidelines provide that: (a) a new director must hold three times the annual base retainer in Common Shares within five years of being appointed to the Board; and (b) the CEO must hold three times the base salary within five years of being appointed to that role.

(5) 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, 2021. At each meeting attended by Dr. Guest, the members of each committee met in camera without Dr. Guest.

(6) Dr. Marchant is not a member of the Audit Committee but was requested by the chair of the Audit Committee to attend such meetings of Audit Committee during the financial year ended December 31, 2021.

(7) Mr. McFarland is not a member of the Audit Committee or the Governance and Compensation Committee but was requested by the chair of each committee to attend committee meetings during the financial year ended December 31, 2021. Mr. McFarland attended all meetings of the Audit Committee during the financial year ended December 31, 2021 as well as the March 23, 2021 and November 10, 2021 meetings of the Governance and Compensation Committee.

(8) Mr. Royal is not a member of the Governance and Compensation Committee but was requested by the Chair of the Governance and Compensation Committee to attend its meetings on March 23, 2021 and November 10, 2021.

(9) Mr. Hiscock is not a member of the Reserves & Health, Safety, Security, Environment and Community Relations Committee but was requested by the chair of the Reserves & Health, Safety, Security, Environment and Community Relations Committee to attend all meetings of such committee during the financial year ended December 31, 2021.

(10) Ms. Wood is not a member of the Reserves & Health, Safety, Security, Environment and Community Relations Committee but was requested by the chair of the Reserves & Health, Safety, Security, Environment and Community Relations Committee to attend all meetings of such committee during the financial year ended December 31, 2021.

(11) Mr. Chapman is not a member of the Governance and Compensation Committee but was requested by the Chair of the Governance and Compensation Committee to attend its meetings on March 23, 2021 and November 10, 2021.

Corporate Cease Trade Orders or Bankruptcies

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; or

  (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 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, 2021 (each a "**Named Executive Officer**" or "**NEO**" and collectively, the "**Named Executive Officers**" or "**NEOs**") and how the determinations in respect of the NEOs' 2021 compensation were made. For the year ended December 31, 2021, the Corporation had the following NEOs and no other executive officers or individuals acting in a similar capacity:

W. Sean Guest, CEO and President

Heather Campbell, CFO

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

The Board has established the Governance and Compensation Committee, which in 2022 is comprised of 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 the following compensation-related responsibilities:

- 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 PRSU 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 being materially weighted 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 2021 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	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) reflect the application of their informed judgement in setting executive compensation believed to be competitive for similarly placed executives operating international companies which are headquartered in Canada.

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 security-based compensation plans encourage a long term perspective due to the vesting provisions of the Options and Unit Awards. 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.

In addition, the Corporation has adopted a Clawback Policy (as defined below) that provides for the recoupment from directors, officers and executives of both cash and equity-based incentive compensation where an individual's gross negligence, fraud, theft or willful misconduct caused them to receive an incentive compensation amount higher than what they would have otherwise received, including but not limited to, situations where there has been a restatement of financial results.

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. During the year ended December 31, 2021, the Governance and Compensation Committee was comprised of Ms. Wood (Chair) and Messrs. Hiscock and Marchant. 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* and all members of the Governance and Compensation Committee have gained experience in executive compensation and other human resource areas in the oil and gas industry through their tenure in executive roles in the energy sector and/or as directors of numerous organizations, and have direct experience in establishing executive and corporate compensation programs. In addition, the Governance and Compensation Committee utilizes publicly disclosed compensation data from management information circulars.

2021 Corporate Performance Scorecard

The 2021 Corporate Performance Scorecard adopted by the Board to assess discretionary bonus payments for 2021 aggregated the following key criteria and weightings: 1) execute merger and/or acquisition ("**M&A**") deal(s) - 50%; 2) Valeura's share price performance compared to a peer group of international-focused companies – 25% (the "**2021 Performance Peer Group**"); 3) progress the evaluation of the deep gas play in the Thrace Basin, Turkey – 15%; and 4) maintain the shallow conventional gas production in good standing (production and HSSEC) until the close of the expected sale of these assets (the "**Disposition**") – 10%.

The 2021 Performance Peer Group is shown below.

Entity	**Listing**	**Entity**	**Listing**
Africa Energy Corp.	TSXV	Rockhopper Exploration Plc	AIM
Africa Oil Corp.	TSX	SDX Energy Inc.	AIM
Bowleven Plc	AIM	Serinus Energy Inc.	AIM
Centaurus Energy Inc.	TSXV	ShaMaran Petroleum Corp.	TSXV
Condor Petroleum	TSX	S&P/TSX Energy Index	TSX
Falcon Oil & Gas Ltd.	TSXV/AIM	TAG Oil Ltd.	TSX
Forza Petroleum Limited (formerly Oryx Petroleum Corporation Limited)	TSX	Touchstone Exploration Inc.	TSX/AIM
IGas Energy Plc	AIM	TransGlobe Energy Corporation	TSX/NASDAQ/AIM
Jadestone Energy Inc.	TSXV/AIM	Trinity Exploration and Production Plc	AIM
Pan Orient Energy Corp.	TSXV	Wentworth Resources Plc	AIM

The CEO's performance with respect to discretionary bonus payments is evaluated based on Valeura's performance under the relevant year's Corporate Performance Scorecard.

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, as well as other more subjective factors such as level of responsibility, importance to the Corporation, the degree to which an officer's contribution will be critical to the Corporation's success in the near and long term, individual performance, corporate performance and market conditions. The Governance and Compensation Committee then reviews and discusses these recommendations, generally including a review of market data, 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, including long-term equity incentive awards. 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 2021 were reviewed in March 2021, and the Governance and Compensation Committee and the Board determined that there would not be an increase to the CEO's salary and only modest progression salary increases for the CFO and VP Commercial.

Salaries for 2022 were reviewed by the Governance and Compensation Committee and the Board in March 2022, and they determined that there would not be an increase in the salaries for the CEO or the other NEOs in 2022.

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.

Given 2021 Corporate Performance Scorecard criteria, the Governance and Compensation Committee and the Board awarded a score of 0.49 on a scale of 0 to 2. The specific scores for each of the components of the scorecard in establishing the weighted aggregate score were as follows:

- M&A execution was scored at 0.0, given that an M&A deal was not executed and announced in 2021 (weight 50%);
- Relative TSR was scored at 0.4, given the second quartile performance as compared to the 2021 Performance Peer Group (weight 25%);
- The Turkish deep gas play appraisal progress was scored at 1.25, given development of an arrangement to fulfil exploration commitments at relatively low cost to hold the exploration licences through June 2023, thereby providing additional time to seek a new partner (weight 15%); and
- The Disposition closing was scored at 2.0 given that the asset was maintained in good order until closing in May 2021, including a slight increase in production facilitating subsequent realized royalty payments (weight 10%).

The corporate performance factor of 0.49 was applied to bonus target levels as a percentage of base salary, and the resulting cash bonuses for the 2021 performance year were approved by the Board on March 30, 2022. For the NEOs, the aggregate bonus amounts were $182,893 representing an average of 22.1% of the aggregate 2021 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 PRSU Plan, both of which were amended and approved by shareholders in August 2020 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 PRSU 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 Unit Awards to executive officers. When making recommendations with respect to Option and/or Unit Awards and the size of such awards, the Governance and Compensation Committee takes into consideration the overall number of Options and Unit Awards that are outstanding relative to the number of outstanding Common Shares.

During the year ended December 31, 2021, NEO's were granted a total of 1,155,000 Options. The methodology for determining grants to NEO's was similar to prior years.

All of the foregoing Options have a seven-year term and vest in thirds at the first, second and third anniversary of the grant date. 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 Unit Awards have been granted under the PRSU Plan, but the Board may elect to issue such awards in the future.

Benefits

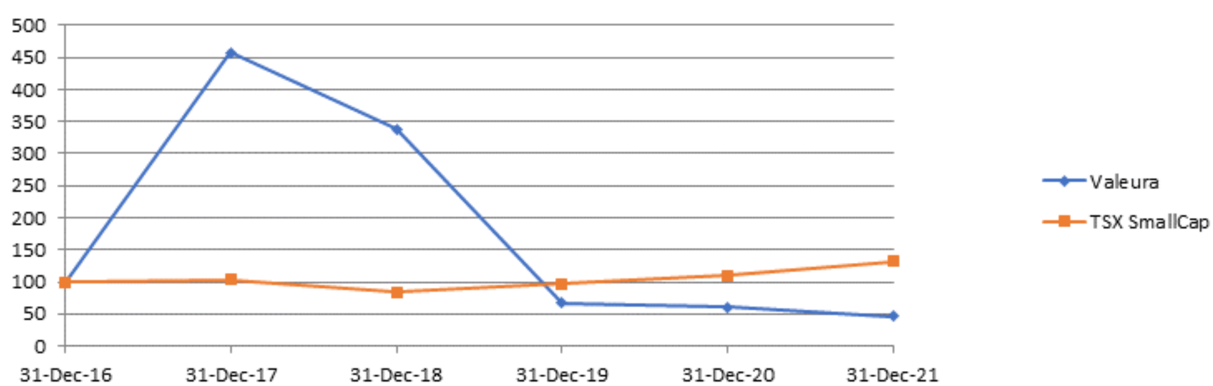
The Corporation's benefits program consists of health and dental care and various forms of life, disability and critical illness insurances and health spending accounts consistent with industry norms. In addition, the NEOs receive a reimbursement of parking costs up to a defined limit or a transportation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

Severance and Change of Control Agreements

Executive Employment Agreements (as defined below), which provide severance or other payouts upon a change of control event, have been put in place for the following NEOs: Dr. Guest effective May 23, 2017 (and amended on January 1, 2018); Mr. Begg effective May 30, 2018; and Ms. Campbell effective January 7, 2020. 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, 2016 to December 31, 2021, as compared to the cumulative total return on the Standard & Poor's/TSX SmallCap Index ("**TSX SmallCap**") for the same period.



	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Valeura	$100.00	$457.89	$337.89	$67.37	$60.00	$46.32
TSX SmallCap	$100.00	$102.75	$84.08	$97.40	$109.94	$132.22

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, 2021, 2020 and 2019.

Name and Principal Position	Year	Salary ($)	Option Awards ($)	Non-equity incentive plan compensation ($)	All Other Compensation[(8)] ($)	Total Compensation ($)
				Annual Incentive Plan		
Dr. W. Sean Guest[(1)] CEO and President	2021 2020 2019	370,000 370,000 355,000	203,269 [(4)] 98,009[(5)] 594,000[(7)]	99,715 261,905 222,000	Nil Nil Nil	672,984 729,914 1,171,000
Heather Campbell CFO[(2)]	2021 2020 2019	210,000 203,000 177,500	121,961 [(4)] 116,006 [(5)(6)] 178,200[(7)]	41,160 108,108 90,000	Nil Nil Nil	373,121 427,114 445,700
Gordon R. Begg VP Commercial[(3)]	2021 2020 2019	265,000 261,000 239,000	101,634 [(4)] 57,915[(5)] 297,000[(7)]	42,018 110,360 100,000	Nil Nil Nil	408,652 429,275 636,000

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) Ms. Heather Campbell was appointed as CFO on January 7, 2020. Prior to this, Ms. Campbell was the Controller of Valeura since June 2017.

(3) Mr. Gordon R. Begg was hired as the VP Commercial on May 30, 2018.

(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 24, 2021 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: Fair Value of $0.37 per share; Risk-Free Interest Rate of 0.81 %; Expected Life of 4.5 years; Expected Volatility of 99%; 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, 2021.

(5) 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 17, 2020 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: Fair Value of $0.18 per share; Risk-Free Interest Rate of 0.77%; Expected Life of 4.5 years; Expected Volatility of 99.5%; 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, 2021.

(6) 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 January 7, 2020 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: Fair Value of $0.39 per share; Risk-Free Interest Rate of 1.6%; Expected Life of 4.5 years; Expected Volatility of 99.3%; 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, 2021.

(7) As noted in (5) 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 February 8, 2019 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: Fair Value of $1.98 per share; Risk-Free Interest Rate of 1.78%; Expected Life of 4.5 years; Expected Volatility of 86.56%; and Dividend per Share of nil. The Options granted on February 8, 2019 were cancelled on November 25, 2020 in exchange for nominal consideration of $3,000 for Dr. Guest, $900 for Ms. Campbell and $1,500 for Mr. Begg, or $0.01 per Option (which have not been deducted from the amount shown in the table).

(8) 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, 2021.

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. W. Sean Guest CEO and President	550,000 550,000 600,000	0.52 0.25 0.75	March 24, 2028 March 17, 2027 May 17, 2024	Nil 104,500 Nil
Heather Campbell CFO	330,000 325,000 150,000 150,000	0.52 0.25 0.54 0.80	March 24, 2028 March 17, 2027 January 7, 2027 May 31, 2024	Nil 61,750 Nil Nil
Gordon R. Begg VP Commercial	275,000 325,000	0.52 0.25	March 24, 2028 March 17, 2027	Nil 61,750

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, 2021 of $0.44 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, 2021 as well as the cash bonuses granted to the NEOs during the year ended December 31, 2021.

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	66,000	99,715
Heather Campbell CFO	39,000	41,160
Gordon R. Begg VP Commercial	39,000	42,018

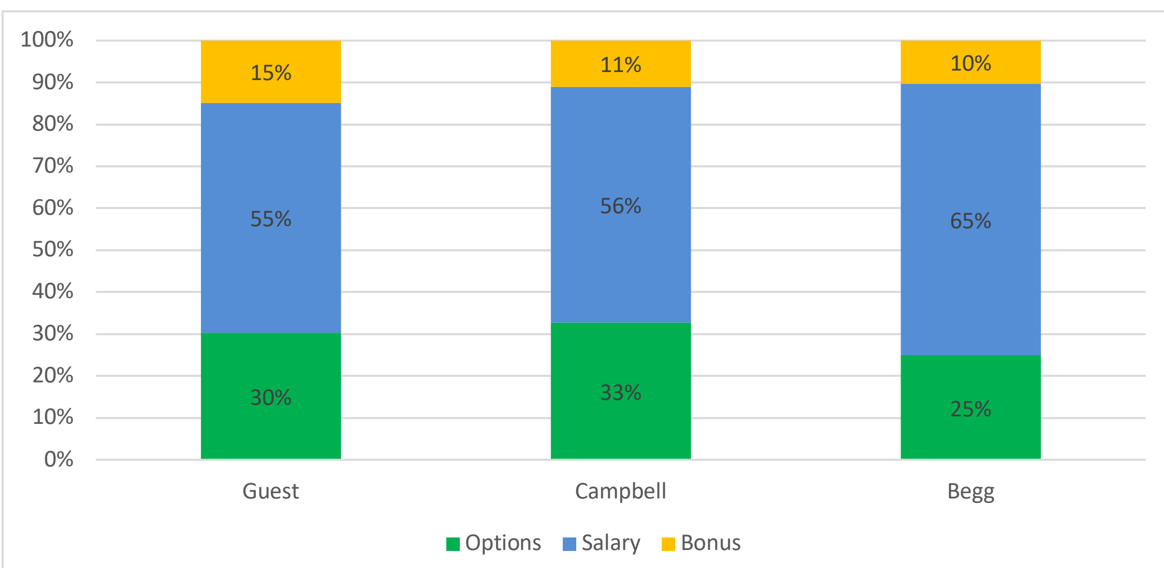
Note:

(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

While the Corporation's compensation philosophy targets an emphasis on 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 compensation mix in 2021 reflects relatively low at risk compensation as compared to target. This reflects the low 2021 corporate performance factor of 0.49 and the value of Options at current share prices.

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 including achievement of corporate goals and objectives and relative share price performance, result in an appropriate mix of pay for performance and discouragement of inappropriate risk-taking behavior.



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 entered into in May 2017 (and amended in January 2018) and for the VP Commercial in May 2018. Ms. Heather Campbell entered into an Executive Employment Agreement upon her appointment as CFO in January 2020. 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 and other security based compensation, reimbursement of expenses, benefits and certain perquisites as set forth in the Executive Employment Agreements, with the amounts paid in 2021 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, 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, a severance payment in the amount of one times the annual salary and cost of benefits and one 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 times the annual salary and cost of benefits plus one times the average amount of bonus paid for the three calendar years prior to the date of termination.

Each of the CEO and President and VP Commercial has a "single-trigger" change of control provision in their applicable Executive Employment Agreement executed in years prior to 2020, meaning that if a change of control of the Corporation occurs, the termination payments must be made by the Corporation to the affected executive if the Corporation terminates the employment of the executive or the executive terminates its employment. The CFO has, and each future executive is expected to have, a "double-trigger" change of control provision in their applicable Executive Employment Agreement, meaning that if a change of control of the Corporation occurs, the termination payments must be made by the Corporation to the affected executive only if the Corporation terminates the employment of the executive or if the executive terminates for good reason.

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 as it existed prior to August 12, 2020) 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. All Options granted under the Option Plan since August

12, 2020 include "double-trigger" acceleration of Option vesting in connection with a Change of Control Transaction (as defined in the Option Plan).

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, 2021.

Name	Triggering Event	Salary	Value of Bonus and other Benefits	Total Cash Payout	Value of Equity and Share Based Awards	Total Payout
Dr. W. Sean Guest	Termination with cause/resignation	Nil(1)	Nil	Nil	Nil (3)	Nil
	Termination without cause	$740,000	496,000 (2)	1,236,000	Nil (3)	1,236,000
	Change of control	$740,000	496,000 (2)	1,236,000	101,750 (4)	1,338,000
Heather Campbell	Termination with cause/resignation	Nil(1)	Nil	Nil	Nil (3)	Nil
	Termination without cause	210,000	111,000	321,000	Nil(3)	321,000
	Change of control	210,000	111,000	321,000	60,125 (3)	321,000
Gordon R. Begg	Termination with cause/resignation	Nil(1)	Nil	Nil	Nil (3)	Nil
	Termination without cause	$265,000	100,000 (2)	365,000	Nil(3)	365,000
	Change of control	$265,000	100,000 2)	365,000	60,125 (4)	426,000

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, 2021, 2020 and 2019.

(3) 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, 2021 of $0.44 and the exercise price.

(4) 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, 2021 of $0.44 and the exercise price.

Director Compensation

Non-employee directors are remunerated based on their expertise and time commitment provided to the Corporation. Effective January 1, 2020, the Corporation amended their non-employee director compensation structure to remove meeting fees (except under special circumstances). Non-employee directors receive an annual retainer of $45,000. The Chairman of the Board receives an additional retainer of $15,000. The Chair of the Audit Committee receives an additional retainer of $10,000, and the Chairs of the Governance and Compensation Committee and the Reserves & Health, Safety, Security, Environment and Community Relations Committee each receive an additional $8,000 retainer. No additional meeting fees or travel fees were paid for Board and committee meeting attendance in 2021.

Non-employee directors are also eligible to receive grants of Options and RSUs. Non-employee directors are not eligible to receive grants of PSUs. The Governance and Compensation Committee recommends compensation levels and any Option or RSUs for directors to the Board, taking into account compensation data for the directors of similar companies in the Canadian market. New directors typically receive an initial 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, 2021 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-employee directors for the year ended December 31, 2021.

Name	Fees Earned ($)	Option-based awards ($)(1)	All Other Compensation ($)(3)	Total ($)
Dr. Timothy R. Marchant	60,000	37,000 (2)	Nil	97,000
Ronald W. Royal	53,000	37,000 (2)	Nil	90,000
Russell J. Hiscock	55,000	37,000 (2)	Nil	92,000
James D. McFarland	45,000	37,000 (2)	Nil	82,000
Kimberley K. Wood	53,000	37,000 (2)	Nil	90,000
Timothy N. Chapman	45,000	37,000 (2)	Nil	82,000

Notes:

(1) 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".

(2) 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 24, 2021 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 issued on March 24, 2021 are as follows: Fair Value of $0.37 per share; Risk-Free Interest Rate of 0.81 %; Expected Life of 4.5 years; Expected Volatility of 99 %; 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, 2021.

(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.

Outstanding Option-Based Awards

The following table sets forth information with respect to the unexercised Options granted under the Option Plan to the non-employee directors which were outstanding as of December 31, 2021

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	100,000 100,000 30,000 20,000 100,000	0.52 0.25 0.73 0.75 0.68	March 24, 2028 March 17, 2027 March 17, 2024 March 23, 2023 April 15, 2022	Nil 19,000 Nil Nil Nil
Ronald W. Royal	100,000 100,000 30,000 20,000 51,000	0.52 0.25 0.73 0.75 0.57	March 24, 2028 March 17, 2027 March 17, 2024 March 23, 2023 March 13, 2022	Nil 19,000 Nil Nil Nil
Russell J. Hiscock	100,000 100,000	0.52 0.25	March 24, 2028 March 17, 2027	Nil 19,000

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)
James D. McFarland	100,000 100,000 190,000 140,000 349,000	0.52 0.25 0.73 0.75 0.57	March 24, 2028 March 17, 2027 March 17, 2024 March 23, 2023 March 13, 2022	Nil 19,000 Nil Nil Nil
Kimberley K. Wood	100,000 100,000	0.52 0.25	March 24, 2028 March 17, 2027	Nil 19,000
Timothy N. Chapman	100,000 100,000	0.52 0.54	March 24, 2028 January 7, 2027	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, 2021 of $0.44 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, 2021 as well as the cash bonuses granted to directors during the year ended December 31, 20201.

Name	Option-Based Awards Value Vested During Year ($)(1)	Non-Equity Incentive Plan Compensation Value earned during the year ($)
Dr. Timothy R. Marchant	12,000	Nil
Ronald W. Royal	12,000	Nil
Russell J. Hiscock	12,000	Nil
James D. McFarland	12,000	Nil
Kimberley K. Wood	12,000	Nil
Timothy N. Chapman	Nil	Nil

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.

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 PRSU Plan as amended and approved by shareholders in August 2020. Both plans authorize the Board to make grants to directors, officers, employees or other services providers of the Corporation and its subsidiaries, provided that non-employee directors are not eligible to receive grants of PSUs. In 2021, the Corporation granted Options exercisable into 2,312,500 Common Shares, representing 2.67% of the issued and outstanding Common Shares as at December 31, 2021. A total of nil Options exercisable into Common Shares were exercised and 908,333 Options were forfeited and cancelled in 2021 and 373,334 Options expired. As of December 31, 2021, the Corporation had Options exercisable into 6,667,666 Common Shares outstanding, which represented approximately 7.40% of the then issued and outstanding Common Shares as at December 31, 2021.

As of December 31, 2021, no PSUs or RSUs had been granted under the PRSU Plan.

Number of Common Shares Available Under the Option Plan and the PRSU 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 both the Option Plan and the PRSU Plan, as well as any other security-based compensation plans of the Corporation. Accordingly, the number of Common Shares reserved for issuance pursuant to Options under the Option Plan, Unit Awards under the PRSU Plan, and under any security-based compensation arrangement of the Corporation, cannot exceed 10% of the aggregate number of issued and outstanding Common Shares on a non-diluted basis from time to time.

The “reloading” of Options is permitted under the Option Plan. If any Option is not exercised prior to expiry, or is terminated, disposed of, exercised, cancelled or surrendered for any reason, the Common Shares reserved and authorized for issuance pursuant to such Option will revert to the Option Plan and be available for other Option grants, subject to the foregoing reserve limitations. Similarly, Common Shares underlying Unit Awards that expire, terminate or are settled or cancelled will be available for subsequent issuance under the PRSU Plan.

Insider Participation Limits Under the Option Plan and the PRSU Plan

Subject to the policies of the TSX: (i) no one eligible participant can receive Options, RSUs or PSUs, that when combined with any other security-based compensation arrangement of the Corporation, will entitle the holder to more than 5% of the total number of Common Shares; (ii) the number of Common Shares reserved for issuance at any time to Insiders under the Option Plan, the PRSU Plan and any other security-based compensation arrangement of the Corporation cannot not exceed 10% of the total number of Common Shares outstanding; and (iii) there may not be issued to Insiders under the Option Plan, the PRSU Plan and any other security-based compensation arrangement of the Corporation, within a 12 month period, a number of Common Shares that will exceed 10% of the total number of Common Shares outstanding at such time. The term “**Insider**” has the meaning ascribed thereto in the TSX Company Manual. In addition, both the Option Plan and PRSU Plan include the Non-Employee Director Participation Limits whereby the aggregate value of all Options, RSUs and any other awards that may be granted to any one non-employee director in any one year period under all security-based compensation arrangements of the Corporation may not exceed $150,000 (with no more than $100,000 attributable to Options) based on the grant date fair value of the awards. The Non-Employee Director Participation Limits do not apply to one-time initial grants to a new director upon joining the Board.

Option Plan

Purposes of the 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 and its subsidiaries.

Administration

The Option Plan is administered by the Board. The Board can delegate the administration of the plan to a committee of directors. Subject to the Shareholder approval requirements, the Board has the discretion to interpret the provisions of the Option Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Option Plan.

Vesting

The vesting of an Option granted under the Option Plan will be as determined by the Board when such Option is granted; however, Options generally vest as to one third on each of the first, second and third anniversaries of the grant date.

Term and Black-out Periods

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

The Option Plan also allows for the extension of the expiry date for an Option expiring 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 will be extended to be 10 business days after the black-out period ends, provided that in no case will such extension create an Option having a term exceeding 10 years.

Exercise and 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 will be as determined by the Board when such Option is granted and will 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.

In addition to cash, the Option Plan allows, subject to the approval of the Corporation, Option holders 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 vested 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 vested 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). All Common Shares issued in accordance with the foregoing are issued as fully paid and non-assessable Common Shares, following which the optionee will have no further rights, title or interest with respect to the exercised Options.

Ceasing to be a Director, Officer, Employee or Consultant

The Option Plan gives the Board discretion when granting 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. In the event of the death of an optionee, vested Options held by such optionee shall be exercisable for a period not exceeding 12 months following the death of the optionee.

All Options granted under the Option Plan since August 12, 2020 are subject to a change of control provision providing for "double-trigger" acceleration of Option vesting (as opposed to "single-trigger" acceleration on Options granted prior to August 12, 2020). Accordingly, if a holder of new Options ceases to be an officer or employee of the Corporation or a subsidiary as a result of being terminated by the Corporation or a subsidiary on a without cause basis or resigns in circumstances constituting good reason, a director ceases to be a member of the Board, or a consultant's services are terminated by the Corporation or a subsidiary unless due to consultant's breach of contract or arrangement with the Corporation or subsidiary, in each case, on or within 12 months following the effective time of a Change of Control Transaction and before the expiry of the holder's Options, all unvested Options on the holder's cessation date will immediately vest and be exercisable for 12 months following the cessation date. At the end of the 12 month period or such shorter time as is remaining in the term of the Options, the unexercised Options will automatically terminate and be of no further force or effect.

Change of Control Transactions

The Option Plan provides that in the event of a Change of Control Transaction, the surviving, successor or acquiring entity will assume any outstanding Options or will substitute similar stock options for the outstanding Options. If the surviving, successor or acquiring entity does not assume the outstanding Options or substitute similar stock options for the outstanding Options or if the Board otherwise determines in its discretion, the Corporation will give written notice to all Option holders advising that the Option Plan will be terminated effective immediately prior to the effective time of the Change of Control Transaction and all Options will be deemed to be vested and, unless otherwise exercised, forfeited or cancelled prior to the termination of the Option Plan, will expire immediately prior to the termination of the Option Plan.

In the event of a Change of Control Transaction, the Board has the power to:

(i) make such other changes to the terms of the Options as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the Option holders;

(ii) otherwise modify the terms of the Options to assist the Option holders to tender into a takeover bid or other arrangement leading to a Change of Control Transaction, and thereafter; and

(iii) terminate, conditionally or otherwise, the Options not exercised following successful completion of such Change of Control Transaction.

If the Change of Control Transaction is not completed within the time specified therein (as the same may be extended), the Options which vest pursuant to the foregoing Change of Control Transaction provisions will be returned by the Corporation to the Option holder and, if exercised, the Common Shares issued on such exercise will be reinstated as authorized but unissued Common Shares and the original terms applicable to such Options will be reinstated.

All outstanding Options granted prior to August 12, 2020 remain subject to a "single-trigger" acceleration of Option vesting in connection with a Change of Control Transaction (unvested Options will vest at the time of a Change of Control Transaction)**.**

Adjustments

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

Amendments and Termination

The Corporation retains the right to amend from time to time, suspend, terminate or discontinue the terms and conditions of the Option Plan by resolution of the Board. Any amendments will be subject to the prior consent of any applicable regulatory bodies, including the TSX, as may be required. Any amendment to the Option Plan will take effect only with respect to Options granted after the effective date of such amendment, provided that it may apply to any outstanding Options with the mutual consent of the Corporation and the Option holder.

The Option Plan contains provisions specifically outlining amendments to the Option Plan which may be made by the Board without and with the further approval of Shareholders.

Other than amendments requiring Shareholder approval as described below, the Board has the power to approve amendments relating to the Option Plan or Options issued thereunder, without further approval of the Shareholders, including without limitation to the extent that such amendment:

- is for the purpose of curing any ambiguity, error or omission in the Option Plan or to correct or supplement any provision of the Option Plan that is inconsistent with any other provision of the Option Plan;
- is necessary to comply with applicable law or the requirements of the TSX or any other stock exchange on which the Common Shares are listed;
- is an amendment respecting administration and eligibility for participation under the Option Plan;
- alters, extends or accelerates the terms of vesting applicable to any Options;
- is an amendment to the termination or early termination provisions of the Option Plan or any Option, whether or not such Option is held by an Insider, provided such amendment does not entail an extension beyond the original expiration date;
- includes or modifies a cashless exercise feature, payable in cash or Common Shares, which provides for a full deduction of the number of underlying Common Shares from the Option Plan maximum;
- is necessary for Options to qualify for favourable treatment under applicable tax laws;
- is an amendment to the Option Plan of a "housekeeping nature"; or

- is an amendment necessary to suspend or terminate the Option Plan.

Shareholder approval will be required for the following types of amendments:

- an amendment to increase the maximum number of Common Shares issuable under the Option Plan, other than pursuant to certain adjustments as described above;
- an amendment that increases the limits previously imposed on non-employee director participation;
- an amendment to the amendment provisions;
- an amendment that would allow for the transfer or assignment of Options, other than for normal estate settlement purposes;
- an amendment extending the term of an Option beyond the original expiration date, except in connection with a black-out period as described above;
- any amendment to the Option Plan that increases the length of the period after a black-out period during which Options may be exercised;
- an amendment to change the class of eligible participants to the Option Plan which would have the potential of broadening or increasing participation by Insiders, including any amendment to remove or to exceed the insider participation limits as described above;
- any amendment which would result in the exercise price for any Option granted under the Option Plan being lower than the fair market value at the grant date of the Option;
- any amendment which reduces the exercise price of an outstanding Option or allows for the cancellation and reissuance of an Option, which would be considered a repricing under the rules of any stock exchange on which the Common Shares are listed, in each case, other than pursuant to a Change of Control Transaction or certain adjustments as described above;
- an amendment to add any form of financial assistance by the Corporation for the exercise of any Option; and
- an amendment required to be approved by security holders under applicable law or the rules, regulations and policies of any stock exchange on which the Common Shares are listed.

The amendment provision explicitly requires that Shareholder approval be sought for each of the applicable amendments listed above.

Clawback

Options are subject to the Clawback Policy described below.

Non-Assignability

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

Burn Rate

The annual burn rate of Options granted under the Option Plan in respect of: (i) fiscal year 2021 was 2.67%; (ii) fiscal year 2020 was 3.69%; and (iii) fiscal year 2019 was 2.34%. The "annual burn rate" is the number of 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.

PRSU Plan

No Unit Awards have been issued under the PRSU Plan. With respect to PSUs, it is currently very difficult to set performance criteria because Valeura's strategy and development plans are uncertain at this time.

Purposes of the PRSU Plan

The principal purposes of the PRSU 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; 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.

Administration of the PRSU Plan

The PRSU Plan is administered by the Board. Subject to Shareholder approval requirements, the Board has 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 in accordance with the terms of the PRSU Plan, to determine the number of PSUs and/or RSUs to be awarded pursuant to each Unit Award, to determine the vesting conditions, vesting schedules, settlement dates, terms, limitations, restrictions and conditions applicable to the Unit Awards, to prescribe, amend and rescind rules and regulations relating to the PRSU Plan, to interpret the PRSU Plan, to determine the terms and provisions of Unit Award Agreements and to make all other determinations deemed necessary for the administration of the PRSU Plan. The Board can delegate the administration of the plan to a committee of directors. The Board has the discretion to interpret the provisions of the PRSU Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the PRSU Plan.

Vesting

The vesting date(s) for PSUs and any adjustment (upward or downward) to the number of PSUs that vest by the application of a Performance Factor (as such term is defined in the PRSU Plan) will be determined at the discretion of the Board.

The vesting of RSUs is solely time-based as they will vest over a period of time determined at the discretion of the Board.

Black-out Periods

The PRSU Plan also allows for the extension of the vesting date for a Unit Award during a black-out period imposed by the Corporation. In the event that the vesting date of a Unit Award falls within a black-out period or within five business days after a black-out period, the vesting date of such Unit Award will be extended to 10 business days after the black-out period ends; provided that the settlement date of any such Unit Award cannot be extended later than December 31st of the third year following the year in respect of which the Unit Award was granted.

Eligibility and Award Determination

In accordance with the terms of the PRSU Plan, 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**"), provided that non-employee directors are not eligible to receive grants of PSUs.

In determining the Service Providers to whom Unit Awards may be granted and the number of PSUs and/or RSUs to be awarded pursuant to each Unit Award, the Board may take into account any of 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 deems relevant in connection with accomplishing the purpose of the PRSU Plan.

Dividends

Under the terms of the PRSU Plan, in the event that the Corporation pays dividends on the Common Shares (including in additional Common Shares) following the granting of a Unit Award, the number of all PSUs and RSUs credited to the grantee's Performance Account (as defined in the PRSU Plan) will be increased pursuant to the terms of the PRSU Plan.

Settlement of Unit Awards

Payment in respect of vested Unit Awards is generally made by delivering Common Shares to the grantee on the applicable settlement date. The aggregate number of Common Shares to be delivered pursuant to a vested Unit Award will be equal to the whole number of Unit Awards that have vested (subject to the satisfaction of applicable withholding taxes).

Notwithstanding the foregoing, the Board may elect, in its sole discretion, to pay to any grantee of a vested Unit Award in lieu of delivering all or any part of the Common Shares that would be otherwise delivered to the grantee on such settlement date, a cash amount equal to the aggregate fair market value of such Common Shares that would otherwise be issued on the applicable settlement date, less any applicable withholding taxes.

No fractional Common Shares will be delivered pursuant to the PRSU Plan, nor will any cash be paid at any time in lieu of any such fractional interest.

Termination of Relationship as Service Provider

In the event that a grantee of a Unit Award is terminated by the Corporation or a subsidiary (whether for cause or without cause), all outstanding Unit Award Agreements (as term is defined in the PRSU Plan) and unvested Unit Awards held by such grantee will be terminated and all rights to receive Common Shares thereunder will 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 by the Corporation or a subsidiary or the disability or death of such grantee, all Unit Award Agreements and all unvested Unit Awards will be terminated and all rights to receive Common Shares thereunder will be forfeited as of the last day of any notice period applicable in respect of such cessation of services. In the event of the disability or death of the grantee, the vesting of all unvested Unit Awards will 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 to be applied in determining the number of PSUs which will vest, and all such vested Unit Awards will be settled on the settlement date.

Notwithstanding the foregoing, if a grantee ceases to be: (i) an officer or employee of the Corporation or a subsidiary as a result of being terminated on a without cause basis or resigns in circumstances constituting good reason; (ii) a member of the Board; or (iii) a consultant of the Corporation or a subsidiary as a result of being terminated by the Corporation or a subsidiary unless due to the consultant's breach of contract or arrangement with the Corporation or a subsidiary, in each case, on or within 12 months following the effective time of a Change of Control Transaction, (a) all PSUs held by the grantee that have not yet vested as of such time multiplied by the applicable Performance Factor(s) will vest and be settled on the grantee's cessation date, and (b) all RSUs held by the grantee that have not yet vested as of such time will vest and be settled on the grantee's cessation date. The number of PSUs which are deemed to be vested will be determined by the Board, in its sole discretion, having regard to the level of achievement of the Performance Factor(s) prior to the grantee's cessation date.

Change of Control Transactions

Notwithstanding any other provision of the PRSU Plan, in the event of a Change of Control Transaction (as such term is defined in the PRSU Plan), the surviving, successor or acquiring entity will assume any outstanding Unit Awards or will substitute similar share units for the outstanding Unit Awards. If the surviving, successor or acquiring entity does not assume the outstanding Unit Awards or substitute similar share units for the outstanding Unit Awards or if the Board otherwise determines in its discretion, the Corporation will give written notice to all grantees advising that the PRSU Plan will be terminated effective immediately prior to the effective time of the Change of Control Transaction and all RSUs and a specified number of PSUs will be deemed to be vested and, unless otherwise settled, forfeited or cancelled prior to the termination of the plan, will be settled immediately prior to the termination of the plan. The number of PSUs which are deemed to be vested will be determined by the Board, in its sole discretion, having regard to the level of achievement of the Performance Factor(s) prior to the effective time of the Change of Control Transaction.

In the event of a Change of Control Transaction, the Board has the power to: (i) make such other changes to the terms of the Unit Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the grantees; (ii) otherwise modify the terms of the Unit Awards to assist the grantees to tender into a takeover bid or other arrangement leading to a Change of Control Transaction, and thereafter; and (iii) terminate, conditionally or otherwise, the Unit Awards not settled following successful completion of such Change of Control Transaction. If the Change of Control Transaction is not completed within the time specified therein (as the same may be extended), the Unit Awards which vest pursuant to the foregoing will be returned by the Corporation to the grantee and, if settled the Common Shares issued on such settlement will be reinstated as authorized but unissued Common Shares and the original terms applicable to such Unit Awards will be reinstated.

Adjustments

Outstanding Unit Awards granted under the PRSU 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 PRSU Plan or any Unit Awards may be adjusted by the Board to prevent dilution or enlargement.

Amendments and Termination

Other than amendments requiring Shareholder approval as described below, the Corporation retains the right to amend from time to time or to suspend, terminate or discontinue the terms and conditions of the PRSU Plan and the Unit Awards granted thereunder by resolution of the Board. Any amendments will be subject to the prior consent of any applicable regulatory bodies, including the TSX, as may be required. Any amendment to the PRSU Plan will 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 grantees to whom such Unit Awards have been granted.

Pursuant to the PRSU Plan, the Board will have the power and authority to approve amendments relating to the PRSU Plan or to Unit Awards, without further approval of the Shareholders, including without limitation to the extent that such amendment:

- is for the purpose of curing any ambiguity, error or omission in the plan or to correct or supplement any provision of the PRSU Plan that is inconsistent with any other provision of the PRSU Plan;
- is necessary to comply with applicable law or the requirements of any stock exchange on which the Common Shares are listed;
- is an amendment to the PRSU Plan respecting administration and eligibility for participation under the PRSU Plan;
- changes the terms and conditions on which Unit Awards may be or have been granted pursuant to the PRSU Plan including changes to the vesting provisions of the Unit Awards;
- alters, extends or accelerates the terms of vesting applicable to any Unit Awards;
- is an amendment to the PRSU Plan of a "housekeeping nature";
- is necessary for Unit Awards to qualify for favourable treatment under applicable tax laws;
- is an amendment to the termination or early termination provisions of the PRSU Plan or any Unit Award, whether or not such Unit Award is held by an Insider, provided such amendment does not entail an extension beyond the original expiry date of such Unit Award; or
- is an amendment necessary to suspend or terminate the PRSU Plan.

Shareholder approval will be required for the following types of amendments:

- an amendment to increase the maximum number of Common Shares issuable under the PRSU Plan, other than pursuant to certain adjustment events described above;
- an amendment that increases the limits previously imposed on non-employee director participation;
- an amendment to the amendment provisions;
- an amendment that would allow for the transfer or assignment of Unit Awards, other than for normal estate settlement purposes;
- an amendment extending the term of a Unit Award beyond the original expiry date, except in the event of a black-out period as described above;
- an amendment to change the class of eligible participants to the PRSU Plan which would have the potential of broadening or increasing participation by Insiders, including any amendment to remove or to exceed the insider participation limits as described above; and

- an amendment required to be approved by security holders under applicable law or the rules, regulations and policies of the TSX.

The amendment provision explicitly requires that Shareholder approval be sought for each of the amendments listed above.

Clawback

Unit Awards are subject to the Clawback Policy described below.

Non-Assignability

All rights to receive Common Shares, or cash equivalents, 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).

Clawback Policy

On May 11, 2020, the Corporation adopted a clawback policy (the "**Clawback Policy**") pursuant to which directors, named executive officers and other senior members of management ("**Affected Individuals**") may be required to reimburse the Corporation for incentive compensation (being Options, Unit Awards, bonuses and such other incentive compensation as may be approved from time to time) received by an Affected Individual in excess of the incentive compensation ("**Excess Incentive Compensation**") that he or she would have otherwise received absent erroneous financial results or performance criteria which resulted from his or her gross negligence, fraud, theft or willful misconduct. Such a clawback may apply with or without a restatement of financial results.

The Board has the authorization to determine in its discretion, with consideration of the best interests of the Corporation, whether and through which methods it will take action to recoup any Excess Incentive Compensation. The Board is also authorized, acting reasonably and in good faith, to make a determination whether an Affected Individual has committed gross negligence, fraud, theft or willful misconduct, if no admission of such behavior is made. Such a determination is to be made following an internal investigation with the assistance of qualified, third-party financial and legal advisors.

When recovering Excess Incentive Compensation, the Board is authorized to pursue all legal and other remedies available to it. The effect of any third-party fines, penalties or damages imposed on the Affected Individual in respect of the gross negligence, fraud, theft or willful misconduct leading to the Excess Incentive Compensation will be considered by the Board, and if the Board determines it to be appropriate, credit may be given to the Affected Individual for such amounts when the Board determines the amount of the Excess Incentive Compensation to be repaid to the Corporation.

The Board believes the Clawback Policy will promote and maintain a culture of focused, diligent and responsible management and will discourage conduct detrimental to the growth of the Corporation.

SHARE OWNERSHIP GUIDELINES

The Corporation has adopted share ownership guidelines for each director, the CEO, the CFO 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, RSUs or PSUs (based on the minimum vesting or 50%) equivalent to the value set out below:

Position	Value of Common Shares or Unit Awards to be held
Director	3 times annual retainer
CEO	3 times annual base salary
CFO	2 times annual base salary
Officer Vice President	1 times annual base salary

The value of the Common Shares or Unit Awards 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 RSUs or 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 RSUs or 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 Unit Awards 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. Messrs. Marchant, McFarland and Royal have achieved the respective share ownership thresholds while Messrs. Guest, Begg, Hiscock, Chapman and Mmes. Wood and Campbell are all still within the five year grace periods 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, 2021.

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	6,667,666	$0.48	1,990,833 (1)
Equity compensation plans not approved by Shareholders	Nil	N/A	N/A
Total	6,667,666	-	1,990,833

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 PRSU Plan as at December 31, 2021. As at December 31, 2021, there were 86,584,989 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, 2021, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

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, 2021 and information with respect to the business of the Corporation is contained in the Corporation's annual information for the year ended December 31, 2021. 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 seven 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. Five of the current Board members (representing 71% of the Board), being Messrs. Marchant, Royal, Hiscock and Chapman 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 and former consultant to the Corporation, 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	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	Chair	
Timothy N. Chapman	2020	Member		Member
Not Independent				
Dr. W. Sean Guest (Management)	2018			
James D. McFarland (former Management and former Consultant)	2010			Member

Director Term Limits and Other Mechanics of Board Renewal

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. Following certain director retirements, the Board had new directors join in 2019 (Ms. Wood) and 2020 (Mr. Chapman). The Governance and Compensation Committee recently updated its director skills matrix and Board assessment process to ensure 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	MEG Energy Corp.	TSX	Health, Safety and Environment and Reserves Human Capital and Compensation
Dr. Timothy R. Marchant	Vermilion Energy Inc.	TSX, NYSE	Health, Safety and Environment Reserves Sustainability
	TransGlobe Energy Corporation	TSX, Nasdaq, AIM	Compensation, Human Resources and Governance Reserves, Health, Safety, Environmental and Social Responsibility
	Cub Energy Inc	TSXV	Chair of the board Audit – Chair Governance and Human Resources
Ronald W. Royal	Gran Tierra Energy Inc.	TSX, NYSE, LSE	Audit Health, Safety and Environment Reserves
Russell J. Hiscock	None		

Name	Name of other Reporting Issuer	Exchange	Committee Appointments
Dr. W. Sean Guest	None		
Kimberley K. Wood	Africa Oil Corp.	TSX, Nasdaq OMX (Stockholm)	Compensation Corporate Governance and Nominating ESGHSC
	Gulf Keystone Petroleum Ltd.	LSE	Audit and Risk Remuneration Safety and Sustainability
	Energean PLC	LSE, TASE	Audit and Risk Remuneration and Talent Nomination and Governance
Timothy N. Chapman	None		

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

Name	Board Meetings Attended in 2021[(1)]		Committee Meetings Attended in 2021	
	No.	%	No.	%
Dr. Timothy R. Marchant[(2)]	12 of 12	100%	5 of 5	100%
James D. McFarland[(3)]	12 of 12	100%	1 of 1	100%
Ronald W. Royal[(4)]	12 of 12	100%	5 of 5	100%
Russell J. Hiscock[(5)]	12 of 12	100%	8 of 8	100%
Dr. W. Sean Guest[(6)]	12 of 12	100%	9 of 9	100%
Kimberley K. Wood[(7)]	11 of 12	92%	8 of 8	100%
Timothy Chapman[(8)]	11 of 12	92%	5 of 5	100%

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. Marchant is not a member of the Audit Committee but was requested by the chair of the Audit Committee to attend such meetings of Audit Committee during the financial year ended December 31, 2021.

(3) Mr. McFarland is not a member of the Audit Committee or the Governance and Compensation Committee but was requested by the chair of each committee to attend committee meetings during the financial year ended December 31, 2021. Mr. McFarland attended all meetings of the Audit Committee during the financial year ended December 31, 2021 as well as the March 23, 2021 and November 10, 2021 meetings of the Governance and Compensation Committee.

(4) Mr. Royal is not a member of the Governance and Compensation Committee but was requested by the Chair of the Governance and Compensation Committee to attend its meetings on March 23, 2021 and November 10, 2021.

(5) Mr. Hiscock is not a member of the Reserves & Health, Safety, Security, Environment and Community Relations Committee but was requested by the chair of the Reserves & Health, Safety, Security, Environment and Community Relations Committee to attend all meetings of such committee during the financial year ended December 31, 2021.

(6) 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, 2021. At each meeting attended by Dr. Guest the members of each committee meet *in camera* without Dr. Guest.

(7) Ms. Wood is not a member of the Reserves & Health, Safety, Security, Environment and Community Relations Committee but was requested by the chair of the Reserves & Health, Safety, Security, Environment and Community Relations Committee to attend all meetings of such committee during the financial year ended December 31, 2021.

(8) Mr. Chapman is not a member of the Governance and Compensation Committee but was requested by the Chair of the Governance and Compensation Committee to attend its meetings on March 23, 2021 and November 10, 2021.

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.E**rror! Hyperlink reference not valid.**

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. The Board has approved an Enterprise Risk Management Policy and Framework (the "**Risk Management Framework**") to identify, prioritize, focus and mitigate risks impacting the Corporation. Under the Risk Management Framework, management and the Board have developed a detailed 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.

The Board is responsible for oversight of the Risk Management Framework, though management is responsible for specific risk identification. Management, through the Corporation's risk manager, reports to the Board quarterly on the identification of new, emerging or increased risks and the status of risk mitigation strategies. Risks are identified in accordance with the following risk categories, though new categories may be added as necessary:

- Strategic;
- Joint Venture;
- Operations;
- Finance;
- Legal;
- ESG;
- Human Resources;
- Information Technology; and
- Country.

From this process, risks are assessed and evaluated based on the Corporation's vulnerability to the risk and the potential impact that the underlying risks would have on the Corporation's ability to execute its strategies and achieve its objectives. In order to identify and address any material risks, the Board undertakes an annual assessment of the Risk Management Framework and risk register, in addition to receiving its quarterly reports on new, emerging or increased risks. In 2021, Valeura completed director interviews, which among other matters, allowed the directors to discuss various risks and the Corporation's risk management practices.

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, as well as any perceived gaps in the Board's collective Skill Set. 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 with diverse backgrounds 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 diverse candidates for directors, executive officers and senior management appointments and promoting the consideration of criteria that promotes diversity including gender, age, ethnicity and geographic and indigenous background (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. While the Board has not yet decided to adopt targets for women or other diverse groups at this time, it continues to monitor diversity within the organization and may adopt targets in the future. As part of its annual Board evaluation process, the Corporation's progress toward achieving the objectives of the Diversity Policy are reviewed and recommendations are made regarding the policy and the manner in which it is being implemented. 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 wishes 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 serves as a member of the Audit Committee and Chair of the Governance and Compensation Committee. Currently, 14% of the Board members are women. Going forward, the Board intends to improve the diversity of the Board following completion of any acquisitions in 2022.

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, and the committee recently updated its evaluation materials and 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. Following completion of the questionnaires, the Chair of the Board conducted individual interviews with each director in 2021 to discuss the results and determine ways in which to enhance Board performance, and the Chair intends to conduct these interviews every other year.

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). The directors are also asked to identify if they perceive any gaps or deficiencies in desired skill sets. The matrix helps the Corporation identify gaps and is used to search for new directors or have outside advisors provide expertise to the Board.

The Governance and Compensation Committee reviewed the completed skills matrix and evaluations for 2021 and noted that the Board, as a whole**,** rated its overall aggregate score for most of the categories between the skilled and expert level, with no gaps identified in any of the desired skill areas other than in Technology/Cyber Security where the Board ranked between limited and basic working application. With respect to Technology/Cyber Security the Board intends to continue to supplement those skills with expert advisors. The Board will continue to enhance its skill sets in evolving areas and participate in Board education sessions. 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.

Skill/Experience Description
CEO/Senior Officer – Experience working as a CEO or senior officer for an organization of a size similar to or larger than the Corporation.
Oil and Gas Experience – A deep understanding of the oil and gas industry and business environment generally, including industry trends and the Corporation's peer group. Senior executive experience in the oil and gas industry, which may include formal training in technical disciplines and experience in conventional and unconventional production.
Managing/Leading Growth – Senior executive experience leading significant growth and value creation through various strategies. Demonstrates knowledge in developing long term corporate business strategies.

Skill/Experience Description
Global/Government Relations/International Risks – Experience leading an international operation and implementing good governance practices when operating internationally. Has a solid understanding of the cultural and industry environments in the region(s) where the Corporation operates. Has regulatory, political and public policy experience in international environments similar to the region(s) in which the Corporation operates. Understands international business risks such as corruption, sanctions and political risk.
Governance/Board – Prior or current experience as a board member of a Canadian or international company (public, private or non-profit sectors) and experience with the regulatory and legal requirements and good governance practices for companies with operations in remote jurisdictions.
Financial Acumen – Senior executive experience in financial accounting and reporting and corporate finance. Familiarity with internal financial controls and knowledge of and ability to evaluate budgets and financing plans in multi-jurisdictional companies.
Health, Safety, Security and Environment – Thorough understanding of industry regulations and public policy related to workplace health, safety, security, the environment and climate change issues. Demonstrated commitment to the Corporation's HSSE values and knowledge of current programs.
ESG – Demonstrated understanding and commitment to the Corporation's environmental, social and governance efforts, including an understanding of community and stakeholder relations and engagement in companies with international operations, legal and regulatory developments, sustainability efforts, decarbonization and climate action, climate risks and disclosure, diversity, investor expectations and ESG ratings and industry trends related to this area.
M&A/Deal Making/Investment Banking – Experience in mergers and acquisitions, investment banking, financial advisory or legal roles, financings and strategic reviews. Strong relationships with financial advisors, investor communities and legal community.
Compensation – Senior executive experience or board compensation committee participation with a thorough understanding of compensation, benefits and long-term incentive programs, regulatory regimes and executive agreements.
Investor and Public Relations – Demonstrated understanding and experience managing communication with investor communities and the public, including social media. Understanding of disclosure rules, investor expectations and trends.
Technology/Digital Business/Cybersecurity – Understands how technology and digital business are evolving and can be used effectively by the Corporation. Has experience in managing or overseeing technology, data protection and cyber risk, including implementing security measures, policies and controls to protect and secure data and the integrity of information technology systems.
Diversity – Contributes to the Board in a way that enhances perspectives through diversity in gender, ethnic background, geographic origin, experience (different industry sectors and public, private and non-profit sectors), generation, etc.
Company-Specific Knowledge – Generally knowledgeable about the Corporation's operations, strategy, commodity markets, challenges, opportunities and risk management. Established knowledge of the Corporation's senior management team and senior employees.

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

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, 2021 and filed on SEDAR at www.sedar.com.

Governance and Compensation Committee

The Governance and Compensation Committee is comprised of Kimberley K. Wood (Chair), Russell J. Hiscock and Timothy R. Marchant. All current 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 prior 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 Corporation did not engage a Compensation Consultant in 2019, 2020 or 2021.

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

Services Performed	**Fees paid in 2021**	**Fees paid in 2020**
Executive compensation-related fees	Nil	Nil
All other fees	Nil	Nil
TOTAL:	Nil	Nil

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 and other diverse characteristics 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 serves as a member of the Audit Committee and the Governance and Compensation Committee. While the Board has not yet decided to adopt targets for women or other diverse groups, it continues to monitor diversity within the organization and may adopt targets in the future. Currently, Ms. Heather Campbell serves as CFO. Additionally, 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 N. Chapman, Timothy R. Marchant and James D. McFarland. Messrs. Royal, Marchant and Chapman 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.