



PIPESTONE ENERGY CORP.

MANAGEMENT INFORMATION CIRCULAR
AND PROXY STATEMENT
FOR THE
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 22, 2023

Dated May 9, 2023

YOUR VOTE IS IMPORTANT. PLEASE VOTE YOUR PROXY TODAY.



Pipestone Energy Corp.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (“**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) in the capital of Pipestone Energy Corp. (“**Pipestone Energy**” or the “**Corporation**”) will be held virtually via live audio webcast, online at <https://web.lumiagm.com/272337125> at 10:00 a.m. (Calgary time) on June 22, 2023, for the following purposes:

1. to receive the financial statements of Pipestone Energy for the year ended December 31, 2022 and the auditors’ report thereon;
2. to appoint the auditors of Pipestone Energy for the ensuing year and authorize the board of directors of Pipestone Energy to fix their remuneration;
3. to elect directors of Pipestone Energy for the ensuing year; and
4. to transact such other business as may be properly brought before the Meeting or any adjournments thereof.

The specific details of the matters to be brought before the Meeting are set forth in the accompanying management information circular and proxy statement dated May 9, 2023 (the “**Information Circular**”).

This year's Meeting will again be held in a virtual-only format conducted via live webcast online at <https://web.lumiagm.com/272337125>. Shareholders will not be able to attend the Meeting in person. Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online. All Shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting and engage with directors of the Corporation and management as well as other Shareholders. By attending the Meeting, Shareholders and proxy holders will be able to hear the Meeting live, submit questions and vote their shares on all items of business while the Meeting is being held. Beneficial shareholders (being shareholders who hold their Shares through a broker, investment dealer, bank, trust Corporation, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will be able to attend as a guest and view the webcast but not be able to participate or vote at the Meeting.

As a Shareholder of the Corporation, it is very important that you read the Information Circular and other Meeting materials carefully. They contain important information with respect to voting your Common Shares and attending and participating at the Meeting.

A Shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form, to represent him, her or it at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy or voting instruction form and following the instructions for submitting such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form. If you wish that a person other than the management nominees identified on the form of proxy or voting instruction form attend and participate at the Meeting as your proxy and vote your Shares, including if you are a non-registered shareholder and wish to appoint yourself as proxyholder to attend, participate and vote at the Meeting, you **MUST** register such proxyholder after having submitted your form of proxy or voting instruction form identifying such proxyholder. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting. To register a proxyholder, Shareholders **MUST** send an email to Pipestone@odysseytrust.com and provide Odyssey Trust Company (“**Odyssey**”) with their proxyholder's contact information, amount of shares appointed, name in which the shares are registered if they are a registered Shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Odyssey may provide the proxyholder with a Username via email.

Shareholders who are unable to attend the Meeting virtually are requested to complete, date and sign their form of proxy and return it to Pipestone Energy’s transfer agent, Odyssey Trust Company, Proxy Dept.,

Traders Bank Building 702, 67 Yonge Street Toronto, ON M5E 1J8, or by facsimile at 1-800-517-4553, so that it is received at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournments thereof. Registered Shareholders may also use the internet site at <https://login.odysseytrust.com/pxlogin> to transmit their voting instructions. Non-registered shareholders who receive the form of proxy and voting instruction form through their brokers or other intermediaries should complete and return the voting instruction form in accordance with the instructions provided by their brokers or intermediaries. A proxyholder need not be a Shareholder. If a Shareholder receives more than one proxy form because such Shareholder owns Common Shares registered in different names or addresses, each proxy form should be completed and returned.

The board of directors of Pipestone Energy has fixed the close of business on May 8, 2023 as the record date for the determination of Shareholders entitled to notice of, and to attend and vote at, the Meeting and at any adjournments thereof.

Only persons registered as holders of Common Shares on the records of the Corporation as of the close of business on May 8, 2023 are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment thereof. A holder of Common Shares acquired after the record date may vote such Common Shares at the Meeting or any adjournment thereof if he, she or it produces properly endorsed share certificates evidencing such share ownership or otherwise establishes to the satisfaction of Pipestone Energy that he, she or it owns the transferred Common Shares and demands, not later than 10 days before the Meeting that his, her or its name be included on the list of Shareholders entitled to vote at the Meeting.

DATED at Calgary, Alberta as of May 9, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Paul Wanklyn*"

Paul Wanklyn

President, Chief Executive Officer and Director

Pipestone Energy Corp.

ANNUAL MEETING OF SHAREHOLDERS

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GLOSSARY OF TERMS

Unless the context otherwise requires, when used in this Information Circular, the following terms shall have the respective meanings set forth below. Words importing the singular number shall include the plural and vice versa, and words importing any gender shall include all genders.

“**Adjusted EBITDA**”¹ means profit or loss before interest, income taxes, depletion and depreciation, adjusted for other non-cash and extraordinary items including unrealized gains and losses on risk management contracts, realized losses on interest rate risk management contracts, share-based compensation and exploration and evaluation expense;

“**AIF**” means the annual information form of Pipestone Energy for the year ended December 31, 2022 dated and filed March 8, 2023;

“**Al Mehwar**” means Al Mehwar Commercial Investments LLC, an affiliate of Amwal Investments LLC;

“**Al Mehwar Nomination Agreement**” means the nomination agreement between Al Mehwar and the Corporation dated effective September 24, 2021;

“**Amalgamation**” means the amalgamation of Pipestone Oil Corp. and Blackbird Energy Inc. on January 4, 2019, to form Pipestone Energy;

“**Articles**” means Pipestone Energy’s articles of amalgamation;

“**Audit Committee**” means Pipestone Energy’s Audit Committee, as may be constituted from time to time;

“**Award**” has the meaning set forth in “*Compensation Discussion & Analysis – Key Elements of Compensation – Terms of Awards of PSUs and RSUs*”;

“**Beneficial Shareholders**” means a person who holds Common Shares or Preferred Shares indirectly through a broker, dealer, bank, trust company or other nominee and not in his, her or its own name;

“**Board**” or “**Board of Directors**” means the board of directors of the Corporation;

“**Board Chair**” means the Chair of the Board;

“**boe/d**” means barrels of oil equivalent per day;

“**Business Day**” means any day, other than a Saturday or a Sunday, on which banks in Calgary, Alberta are open for commercial banking business during normal banking hours;

“**C&G Committee**” means Pipestone Energy’s Compensation and Governance Committee, as may be constituted from time to time;

“**Canadian Securities Administrators**” means the securities commission or other similar regulatory bodies of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, and any other province or territory of Canada in which the Corporation may become a “reporting issuer” under Canadian Securities Laws at the relevant time;

“**Canadian Securities Laws**” means collectively, and, as the context may require, the applicable securities laws of each of the provinces of Canada, and the respective regulations and rules made under those securities laws together

¹ Adjusted EBITDA is a non-GAAP measure which is defined as Adjusted EBITDA in the Corporation’s management’s discussion and analysis for the year ended December 31, 2022 and 2021 (under the section “Non-GAAP measures” starting at page 25), which section is incorporated by reference in this Information Circular. The Corporation’s management’s discussion and analysis for each of the periods noted above is available on SEDAR at www.sedar.com under Pipestone Energy’s company profile.

with all applicable published policy statements, instruments, blanket orders, and rulings of the Canadian securities commissions, as the context may require;

“**CEO**” means Pipestone Energy’s Chief Executive Officer;

“**CFO**” means Pipestone Energy’s Chief Financial Officer;

“**Code of Conduct**” means Pipestone Energy’s *Code of Conduct, Policies and Procedures*;

“**Committee Chair**” means the chair of a given committee of the Corporation;

“**Common Shares**” means the common shares in the capital of the Corporation;

“**Corporation**” or “**Pipestone Energy**” means Pipestone Energy Corp.;

“**Court**” means the Court of Queen’s Bench of Alberta;

“**CROIC**”² means cash return on invested capital which is determined by dividing adjusted EBITDA by the gross carrying value of the Corporation’s oil and gas assets at a point in time. CROIC allows management and others to evaluate the Corporation’s capital spending efficiency and ability to generate profitable returns by measuring profit or loss relative to the capital employed in the business;

“**Dividend Share Units**” has the meaning set forth in “*Compensation Discussion & Analysis – Key Elements of Compensation – Terms of Awards of PSUs and RSUs*”;

“**E&Y**” means Ernst & Young LLP;

“**Eligible Person**” has the meaning set forth in “*Compensation Discussion & Analysis – Key Elements of Compensation – Terms of Awards of PSUs and RSUs*”;

“**ESG**” means environmental, social and governance matters;

“**ESPP**” means the Corporation’s current employee share purchase plan;

“**Executive Officers**” or “**NEOs**” means the CEO, the CFO, the Chief Operating Officer and the Vice President, Corporate Development;

“**FMV**” means the current market price of the Common Shares based on the volume weighted average trading price of a Common Share on the TSX during the last five trading days prior to that particular date on which at least a board lot of Common Shares has so traded;

“**GMT Capital**” means certain hedge fund and private client managed accounts of GMT Capital Corp., over which it has discretionary investment authority;

“**GMT Capital Nomination Agreement**” means the nomination agreement between GMT Capital and the Corporation dated effective September 15, 2020;

“**GMT Exploration**” means GMT Exploration Company LLC;

“**HSE**” means health, safety & environment matters;

² CROIC is a non-GAAP measure which is defined as CROIC in the Corporation’s management’s discussion and analysis for the year ended December 31, 2022 and 2021 (under the section “Non-GAAP measures” starting at page 25), which section is incorporated by reference in this Information Circular. The Corporation’s management’s discussion and analysis for each of the periods noted above is available on SEDAR at www.sedar.com under Pipestone Energy’s company profile.

“**Hugessen**” means Hugessen Consulting Inc.;

“**Information Circular**” means this management information circular of the Corporation dated as of May 9, 2023, including all appendices hereto, as may be amended, supplemented or otherwise modified from time to time;

“**LTIP**” means the Corporation’s amended and restated long-term incentive plan approved on May 11, 2021;

“**Meeting**” means the meeting of the Shareholders to be held on June 22, 2023 to consider the matters set forth in the Notice of Meeting;

“**Mercer**” means Mercer (Canada) Limited;

“**Montney**” means the Montney formation, a stratigraphic zone in the Western Canadian Sedimentary Basin;

“**Montney Performance Peer Group**” has the meaning set forth in “*Compensation Discussion & Analysis – Corporate Governance & Compensation Committee – Peer Group*”;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;

“**Notice-and-Access Provisions**” means the "notice-and-access" provisions under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*;

“**Notice of Meeting**” means the Notice of Annual Meeting accompanying this Information Circular;

“**NP 58-201**” means National Policy 58-201 – *Corporate Governance Guideline*;

“**Options**” means stock options of the Corporation;

“**Participant**” means an Eligible Person who has received an Award;

“**Peer Group**” has the meaning set forth in “*Compensation Discussion & Analysis – Corporate Governance & Compensation Committee – Peer Group*”;

“**Preferred Shares**” means the convertible preferred shares in the capital of the Corporation;

“**PSUs**” means performance share units of the Corporation granted pursuant to the LTIP;

“**Record Date**” means May 8, 2023;

“**Registered Shareholder**” means a Shareholder whose Common Shares are registered in its name;

“**Reserves & HSE Committee**” means Pipestone Energy’s reserves and health, safety & environment committee, as may be constituted from time to time;

“**Riverstone CNOR**” means Riverstone V REL CNOR LP;

“**Riverstone**” means Riverstone Holdings LLC;

“**Riverstone Nomination Agreement**” means the nomination agreement between RP LP and the Corporation dated effective September 15, 2020;

“**ROCE**”³ means return on capital employed which is determined by dividing adjusted EBIT by the carrying value of the Corporation’s net assets. For the purposes of the ROCE calculation, net assets are defined as total assets on the Corporation’s consolidated statement of financial position less current liabilities at a point in time. Adjusted EBIT is calculated as Adjusted EBITDA less depletion and depreciation. ROCE allows management and others to evaluate the Corporation’s capital spending efficiency and ability to generate profitable returns by measuring profit or loss relative to the capital employed in the business;

“**RP LP**” means Riverstone Pipestone LP and its affiliates;

“**RSUs**” means restricted share units of the Corporation granted pursuant to the LTIP;

“**Scorecard**” has the meaning set forth in “*Compensation Discussion & Analysis – Key Elements of Compensation – At Risk Components of Compensation – Short Term Incentive Plan*”;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Share Unit Account**” means an account maintained in respect of each Eligible Person who has received an Award;

“**Share Units**” means PSUs, RSUs and Dividend Share Units, as context requires;

“**Shareholder**” means a holder of Common Shares;

“**STIP**” means the Corporation’s short term incentive plan;

“**Strategic Direction**” has the meaning set forth in “*Compensation Discussion & Analysis – Corporate Governance & Compensation Committee – Position Description - CEO*”;

“**Third Party Proxyholder**” has the meaning set forth in “*General Proxy Information – Appointment of a Third Party as Proxy*”.

“**TSR**” means, with respect to any performance period, the total return to Shareholders on the Common Shares calculated using cumulative dividends or other distributions on a reinvested basis, if any, and the change in the trading price of the Common Shares on the TSX over the performance period;

“**TSX**” means the Toronto Stock Exchange; and

“**TSXV**” means the TSX Venture Exchange.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This Information Circular and the documents incorporated by reference herein contain “forward-looking statements” and “forward-looking information” within the meaning of Canadian Securities Laws. These statements relate to future events or the Corporation’s future performance and are based upon the Corporation’s internal assumptions and expectations. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “should”, “believe”, “intends”, “forecast”, “plans”, “guidance”, “budget” and similar expressions.

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections or

³ ROCE is a non-GAAP measure which is defined as ROCE in the Corporation’s management’s discussion and analysis for the year ended December 31, 2022 and 2021 (under the section “Non-GAAP measures” starting at page 25), which section is incorporated by reference in this Information Circular. The Corporation’s management’s discussion and analysis for each of the periods noted above is available on SEDAR at www.sedar.com under Pipestone Energy’s company profile.

other characterizations of future events or circumstances that constitute forward-looking statements will not occur. Such forward-looking statements in this Information Circular speak only as of the date of this Information Circular. Forward-looking statements in this Information Circular include, but are not limited to, statements with respect to:

- the performance of the Corporation's business and operations;
- the timing of, and matters to be considered at, the Meeting as well as with respect to voting at the Meeting;
- changes that would occur as a result of approving matters at the Meeting;
- the Corporation's future liquidity and financial capacity;
- the Corporation's ability to satisfy its financial obligations in future periods;
- the creation of long-term shareholder value;
- the Corporation's dividend policy; and
- the Corporation's ability to achieve results in HSE standards and performance and its ESG program and strategy.

With respect to the forward-looking statements contained in this Information Circular, such statements are subject to certain risks, including those risks set forth in the "*Risk Factors*" section of the AIF, and the Corporation has made assumptions regarding, among other factors:

- the general economic, financial, market and political conditions impacting the industry and jurisdictions in which the Corporation operates;
- the ability of the Corporation to sustain or increase profitability, fund its operations with existing capital and/or raise additional capital to fund its operations;
- the ability of the Corporation to meet its financial forecasts and projections;
- the ability of the Corporation to generate sufficient cash flow⁴ from operations;
- the impact of competition;
- the ability of the Corporation to conduct operations in a safe, efficient and effective manner;
- the ability of the Corporation to retain members of the senior management team, including but not limited to, the officers of the Corporation; and
- the ability of the Corporation to successfully market its products and services.

Forward-looking statements contained in this Information Circular are based on the key assumptions described herein. Readers are cautioned that such assumptions, although considered reasonable by the Corporation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided in this

⁴ Cash flow is a non-GAAP measure which is defined as cash flow in the Corporation's management's discussion and analysis for the year ended December 31, 2022 and 2021 (under the section "Non-GAAP measures" starting at page 25), which section is incorporated by reference in this Information Circular. The Corporation's management's discussion and analysis for each of the periods noted above is available on SEDAR at www.sedar.com under Pipestone Energy's company profile.

Information Circular as a result of numerous known and unknown risks and uncertainties and other factors. The Corporation cannot guarantee future results.

Risks related to forward-looking statements include those risks referenced herein and in the Corporation's other filings. Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking statements contained in this Information Circular include, but are not limited to, the risk factors described above and included under the heading "*Risk Factors*" in the AIF.

Forward-looking statements contained in this Information Circular are based on the Corporation's current plans, expectations, estimates, projections, beliefs and opinions and the assumptions relating to those plans, expectations, estimates, projections, beliefs and opinions may change. Management has included the summary of assumptions and risks related to forward-looking statements included in this Information Circular for the purpose of assisting readers in understanding management's current views regarding those future outcomes. Readers are cautioned that this information may not be appropriate for other purposes. **Readers are cautioned that the lists of assumptions and risk factors contained herein are not exhaustive. Neither the Corporation nor any other person assumes responsibility for the accuracy or completeness of the forward-looking statements contained herein.**

Such forward-looking statements are made as of the date of this Information Circular and the Corporation disclaims any intention or obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by Canadian Securities Laws.

All of the forward-looking statements made in this Information Circular are expressly qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments anticipated in or implied by such forward-looking statements will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Corporation.

Actual results, performance or achievements could differ materially from those anticipated in or implied by any forward-looking statement in this Information Circular, and, accordingly, investors should not place undue reliance on any such forward-looking statement. New factors emerge from time to time and the importance of current factors may change from time to time and it is not possible for the Corporation's management to predict all of such factors, or changes in such factors, or to assess in advance the impact of each such factors on the business of the Corporation or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement contained in this Information Circular.

GENERAL PROXY INFORMATION

This Information Circular is furnished to the Shareholders by the management of the Corporation in connection with the solicitation of proxies to be voted at the Meeting to be held virtually at 10:00 a.m. (Calgary time) on June 22, 2023, and at any adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting and in this Information Circular. A summary of the information Shareholders will need to attend the Meeting online is provided in this Information Circular.

Solicitation of Proxies

The form of proxy is solicited by, and on behalf of, the management of Pipestone Energy. The persons named in the form of proxy are senior officers of Pipestone Energy. A Shareholder desiring to appoint some other person (who need not be a Shareholder) to represent him, her or it at the Meeting may do so by following the procedures under "*General Proxy Information – Appointment of a Third Party as Proxy*".

Shareholders who are unable to attend the Meeting virtually are requested to complete, date and sign their form of proxy and return it to Pipestone Energy's transfer agent, Odyssey Trust Company, Proxy Dept., Traders Bank Building 702, 67 Yonge Street Toronto, ON M5E 1J8, or by facsimile at 1-800-517-4553, so that it is received at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournments thereof. Registered Shareholders may also use the internet site at

<https://login.odysseytrust.com/pxlogin> to transmit their voting instructions. Non-registered shareholders who receive the form of proxy and voting instruction form through their brokers or other intermediaries should complete and return the voting instruction form in accordance with the instructions provided by their brokers or intermediaries. A proxyholder need not be a Shareholder of Pipestone Energy. If a Shareholder receives more than one proxy form because such Shareholder owns Common Shares registered in different names or addresses, each proxy form should be completed and returned.

Pipestone Energy will bear the costs incurred in connection with the solicitation of proxies. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefor.

The Corporation may, upon request, pay to intermediaries holding Common Shares in their names for others the charges entailed for sending out the instruments of proxy to the persons for whom they hold Common Shares.

Information contained in this Information Circular is given as of May 9, 2023 unless otherwise specifically stated.

Registered Shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below. See "*How do I attend and participate at the Meeting?*".

Beneficial Shareholders who have not duly appointed themselves as proxyholder will not be able to attend, participate or vote at the Meeting. This is because the Corporation and its transfer agent do not have a record of the Beneficial Shareholders, and, as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder. If you are a Beneficial Shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder, by inserting your own name in the space provided on the voting instruction form sent to you and must follow all of the applicable instructions provided by your intermediary. See "*Appointment of a Third Party as Proxy*" and "*How do I attend and participate at the Meeting?*".

Appointment of a Third Party as Proxy

The following applies to Shareholders who wish to appoint a person (a "**Third Party Proxyholder**") other than the management nominees set forth in the form of proxy or voting instruction form as proxyholder, including Beneficial Shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint a Third Party Proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Common Shares MUST submit their proxy or voting instruction form (as applicable) appointing such Third Party Proxyholder AND register the Third Party Proxyholder, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Username to attend, participate or vote at the Meeting.

- **Step 1: Submit your proxy or voting instruction form:** To appoint a Third Party Proxyholder, insert such person's name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form. If you are a Beneficial Shareholder located in the United States, you must also provide Odyssey with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder. See below under "Legal Proxy – US Beneficial Shareholders" in this section for additional details.
- **Step 2: Register your proxyholder:** To register a proxyholder, Shareholders MUST send an email to Pipestone@odysseytrust.com by 10:00 a.m. (MT) by June 20, 2023 and provide Odyssey with the required proxyholder contact information, amount of shares appointed, name in which the shares are registered if they are a Registered Shareholder, or name of broker where the shares are held if a Beneficial Shareholder, so that Odyssey may provide the proxyholder with a Username via email. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting.

If you are a Beneficial Shareholder and wish to attend, participate or vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable

instructions provided by your intermediary AND register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. Please also see further instructions below under the heading "*How do I attend and participate at the Meeting?*".

Legal Proxy – US Beneficial Shareholders

If you are a Beneficial Shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below under "*How do I attend and participate at the Meeting?*", you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Odyssey. Requests for registration from Beneficial Shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to pipestone@odysseytrust.com and received by 10:00 a.m. (MT) on June 20, 2023.

Notice-and-Access

Pipestone Energy has elected to use the Notice-and-Access Provisions for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online. If you receive the Notice-and-Access Notification and would like to receive a paper copy of this Information Circular and other relevant information, please follow the instructions printed on the Notice-and-Access Notification and the materials will be mailed to you. All materials will be forwarded to Shareholders at the Corporation's expense. The Corporation anticipates that notice-and-access will directly benefit the Corporation through substantial reductions in postage and printing costs. The Corporation believes that notice-and-access is also environmentally responsible to the extent that it decreases the large volume of paper documents generated by printing proxy-related materials.

Pipestone Energy has also elected to use a procedure known as "stratification" in relation to the Corporation's use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular and, if applicable, a paper copy of financial statements and related management's discussion and analysis (together, the "**Financial Information**"), to some shareholders together with a notice of meeting of its shareholders. In relation to the Meeting, Registered Shareholders will receive a paper copy of the Notice of Meeting, the Information Circular and proxy statement and the virtual meeting guide whereas all Beneficial Shareholders will receive a Notice-and-Access Notification, a request for voting instructions or a voting instruction form and the virtual meeting guide. Furthermore, a paper copy of the Financial Information in respect of the most recent financial year of the Corporation will be mailed to Registered Shareholders as well as to those Beneficial Shareholders who have previously requested to receive them.

The meeting material is available at <https://odysseytrust.com/client/pipe/> and under the Corporation's profile at www.sedar.com.

How do I attend and participate at the Meeting?

The Corporation is holding the Meeting as a completely virtual meeting which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting (including for voting online and asking questions during the question and answer session at the Meeting), Shareholders must have a valid Username. Guests are welcome to attend and view the webcast, but will be unable to participate or vote at the Meeting. To join as a guest please visit the Meeting online at <https://web.lumiagm.com/272337125> and select "Join as a Guest" when prompted.

Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/272337125>. Such persons may then enter the Meeting by clicking "I have a login" and entering a Username and Password before the start of the Meeting.

- **Registered Shareholders:** The control number located on the form of proxy (or in the email notification you received) is the Username. The Password to the Meeting is "pipestone2023" (case sensitive). If as a Registered Shareholder you are using your control number to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies for the Meeting and will be provided the opportunity to vote by online ballot on the matters put forth at the Meeting. If you do not wish to revoke a previously submitted proxy, as the case may be, you will need to attend the meeting as a guest.
- **Duly appointed proxyholders:** Odyssey will provide the proxyholder with a Username by e-mail after the voting deadline has passed. The Password to the Meeting is "pipestone2023" (case sensitive). Only Registered Shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Beneficial shareholders who have not duly appointed themselves as proxyholder will be able to attend the meeting as a guest but not be able to participate or vote at the Meeting. Shareholders who wish to appoint a Third Party Proxyholder to represent them at the Meeting (including Beneficial Shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting) MUST submit their duly completed proxy or voting instruction form AND register the proxyholder. See "*Appointment of a Third Party as Proxy*".

Asking Questions at the Meeting

Registered Shareholders and duly appointed proxyholders who attend the Meeting online will be able to ask questions at the Meeting. Questions or comments can be submitted in the text box (chat feature) of the webcast platform throughout the Meeting. Written questions or comments submitted through the text box of the webcast platform will be read or summarized by a representative of the Corporation, after which the chairman of the Meeting will respond or direct the question to the appropriate person to respond. If several questions relate to the same topic, the Corporation may choose to group such questions and indicate that similar questions were received.

These procedures and logistics may vary from time to time depending on logistics and with a view to following best governance practices.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is very important to you if you do not hold Common Shares in your own name. If you hold Common Shares through a broker, dealer, bank, trust company or other nominee and not in your own name, you should note that only proxies deposited by Shareholders whose names appear on the records of Pipestone Energy as registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a 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 Pipestone Energy maintained by Odyssey, Pipestone Energy's transfer agent. Such shares will more likely be registered under the name 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, dealers, banks, trust companies or other nominees can only be voted (for or against resolutions) or withheld from voting upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers or other nominees are prohibited from voting Common Shares for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person or that the Common Shares are duly registered in their name.

Applicable Canadian regulatory policy requires brokers or other nominees to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Brokers or other nominees have their own mailing procedures and provide their own return instructions to clients, 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 his, her or its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the Registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. In Canada, the majority of brokers now delegate

responsibility for obtaining instructions from clients to Broadridge. Broadridge typically prepares a scannable voting instruction form in lieu of the form of proxy provided by Pipestone Energy, mails the voting instruction form to Beneficial Shareholders and asks Beneficial Shareholders to return the voting instruction form to Broadridge or otherwise communicate voting instructions to Broadridge (via the Internet or telephone, for example). 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 from Broadridge cannot use that form to vote Common Shares directly at the Meeting – the voting instruction form must be returned to Broadridge or, alternatively, instructions must be received by Broadridge well in advance of the Meeting in order to have such shares voted.

A Beneficial Shareholder that receives a voting instruction form from Broadridge may vote in the following ways:

- **Internet** – www.proxyvote.com (enter your 16-digit control number to vote)
- **Telephone** – Call the number(s) listed on your voting instruction form (enter your 16-digit control number to vote)
- **Fax** – Complete, sign and fax both sides of the voting instruction form to the number(s) listed on your voting instruction form
- **Mail** – Return the completed and signed voting instruction form in the postage paid envelope enclosed with the voting instruction form

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, her or its broker (or an agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity.

A Beneficial Shareholder who wishes to attend the Meeting and indirectly vote his, her or its Common Shares as proxyholder for the registered Shareholder should enter his, her or its own name in the blank space on the form of proxy provided to him, her or it and return the same to his, her or its broker (or broker's agent) in accordance with the instructions provided by such broker (or agent) well in advance of the Meeting.

There are two types of Beneficial Shareholders: (i) those who object to their name being made known to the issuers of the securities that they own (objecting Beneficial Owners); and (ii) those who do not object to their name being made known to the issuers of the securities that they own (non-objecting Beneficial Owners). Issuers, including Pipestone Energy, may request and obtain a list of their NOBOs from intermediaries through its transfer agent. Pipestone Energy will be delivering proxy-related materials to non-objecting Beneficial Shareholders directly with the assistance of Broadridge and intends to pay for intermediaries to deliver proxy-related materials to objecting Beneficial Shareholders.

Exercise of Discretion by Proxy Holders

On any ballot taken at the Meeting, the nominees named in the form of proxy will vote or withhold from voting the Common Shares in respect of which they have been appointed nominee in accordance with the directions of the Shareholders appointing them. In the absence of such direction, the Common Shares represented by valid instruments of proxy executed in favour of the management designees and deposited in the manner described above will be voted “**FOR**” all matters identified in the Notice of Meeting.

The proxy form confers discretionary authority upon the persons named therein in respect of amendments or variations to matters identified in the Notice of Meeting and other matters, which may properly come before the Meeting or any adjournment thereof. At the time of printing of this Information Circular, neither the directors nor management of Pipestone Energy know of any amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any such amendment, variation or other matter properly comes before the Meeting, the Common Shares represented by proxies in favour of management will be voted on such matters in accordance with the best judgment of the person voting the proxy.

Revocability of Proxies

A Shareholder who has given a proxy may revoke it either by depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized (i) at the registered office of Pipestone Energy at any time up to and including the last Business Day preceding the day of the Meeting, or any adjournments thereof, at which the proxy is to be used, or (ii) with the chairman of the Meeting on the day of the Meeting or any adjournments thereof.

Record Date

The Board of Directors has fixed the close of business on May 8, 2023 as the Record Date for the determination of Shareholders entitled to notice of, and to attend and vote at, the Meeting and at any adjournments thereof. Shareholders of record at the close of business on the Record Date are entitled to notice of, and to attend and vote at, the Meeting.

Persons who are transferees of any Common Shares acquired after the Record Date and who have produced properly endorsed share certificates evidencing such share ownership or who otherwise establish to the satisfaction of Pipestone Energy that they own the transferred Common Shares and demand, not later than 10 days before the Meeting, that their names be included on the list of Shareholders, are entitled to vote at the Meeting. In addition, persons who are Beneficial Shareholders as of the Record Date will be entitled to vote at the Meeting in accordance with the procedures established pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators.

Voting Securities and Principal Holders Thereof

Pipestone Energy is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at May 8, 2023, there were 279,552,245 Common Shares and no Preferred Shares outstanding. Each Common Share carries the right to one vote on any matter properly coming before the Meeting, including the election of directors.

As of the date hereof, to the knowledge of the directors and senior officers of Pipestone Energy, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the voting rights attached to all issued and outstanding securities of the Corporation other than the following:

Name	Number of Common Shares or Preferred Shares Owned or Controlled	% of Outstanding Voting Securities
Riverstone Pipestone LP	70,711,226 Common Shares	25.3%
Riverstone V REL CNOR LP	35,440,357 Common Shares	12.7%
GMT Capital Corp.	37,675,762 Common Shares ⁽¹⁾	13.5%
Al Mehwar Commercial Investments LLC	31,439,809 Common Shares	11.2%

(1) Based on information provided by GMT Capital under National Instrument 62-103 dated February 10, 2023. GMT Capital specifically disclaims any ownership or control over the Common Shares held by GMT Exploration and confirms that there is no agreement, commitment or understanding between GMT Capital and GMT Exploration with regards to

the acquisition or disposition of, or the exercise of any of the voting or exercise rights attaching to, any of the Common Shares.

Nomination Agreements

Pursuant to the Riverstone Nomination Agreement, RP LP is entitled to nominate two directors for election to the Board for so long as it holds in excess of 20% of the voting securities of the Corporation. GMT Capital is entitled to nominate one director for election to the Board pursuant to the GMT Capital Nomination Agreement for so long as it, or its affiliates, collectively hold in excess of 10% of the voting securities of the Corporation. Al Mehwar is also entitled to nominate one director for election to the Board pursuant to the Al Mehwar Nomination Agreement for so long as it, or its affiliates, collectively hold in excess of 10% of the voting securities of the Corporation. See “*Business to be Acted Upon at the Meeting – Election of Directors*” below for further information regarding the nomination agreements.

BUSINESS TO BE ACTED UPON AT THE MEETING

Appointment of Auditors

Shareholders will be asked at the Meeting to pass a resolution appointing E&Y to serve as auditors of Pipestone Energy, to hold office until the next annual meeting of Shareholders or until their successors are appointed, at a remuneration to be fixed by the Board of Directors. E&Y has acted as the auditor of Pipestone Energy since May 21, 2020.

For details concerning fees paid to E&Y by Pipestone Energy see “*Audit Committee*” in the annual information form of Pipestone Energy dated and filed March 8, 2023 (“**AIF**”) which can also be accessed on SEDAR at www.sedar.com.

The resolution appointing auditors must be passed by a simple majority of the votes cast by Shareholders present in person or by proxy at the Meeting. **In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favour of the appointment of E&Y as auditors of Pipestone Energy.**

Election of Directors

The Articles provide for the Board to consist of a minimum of 1 and a maximum of 12 directors. The Articles permit the Board to appoint additional directors between annual meetings of Shareholders, provided that the total number of directors so appointed does not exceed, at any time, one-third of the number of directors who hold office immediately after the preceding annual meeting of Shareholders.

At the present time, Pipestone Energy has eight directors, being Messrs. Gordon M. Ritchie (Chair), Garth Braun, William Lancaster, John Rossall, Robert Tichio, Jesal Shah and Paul Wanklyn (President and Chief Executive Officer) and Ms. Kimberly Anderson. The Board considers eight directors to be an appropriate size for effective oversight and decision-making in discharging its responsibilities.

On September 15, 2020, Pipestone Energy and RP LP entered into the Riverstone Nomination Agreement, which provides that RP LP can nominate two directors for election to the Pipestone Energy Board for so long as it, or its affiliates, collectively hold in excess of 20% of the voting securities of the Corporation. Also on September 15, 2020, Pipestone Energy and GMT Capital entered into the GMT Capital Nomination Agreement, pursuant to which the number of directors serving on the Board shall be seven, subject to any resolution of the Board, and GMT Capital shall have one nominee for so long as it, or its affiliates, collectively hold in excess of 10% of the voting securities of the Corporation. In September 2021, the Board resolved that the number of directors serving on the Board be increased from seven to eight.

On September 24, 2021, Pipestone Energy and Al Mehwar entered into the Al Mehwar Nomination Agreement. Al Mehwar can nominate one director for election to the Board for so long as it, or its affiliates, collectively hold in excess of 10% of the voting securities of the Corporation.

Copies of the Riverstone Nomination Agreement, the GMT Capital Nomination Agreement and the Al Mehwar Nomination Agreement can be accessed on SEDAR at www.sedar.com.

RP LP's nominees who are proposed to be nominated for election at the Meeting are the incumbent Robert Tichio and Jesal Shah. GMT Capital's nominee who is proposed to be nominated for election at the Meeting is the incumbent William Lancaster. Al Mehwar's nominee who is proposed to be nominated for election at the Meeting is the incumbent Paul Wanklyn.

Messrs. Ritchie, Braun, Lancaster, Rossall, Tichio, Shah and Wanklyn and Ms. Anderson are proposed to be nominated for election at the Meeting.

All proposed nominees have consented to be named in this Information Circular and to stand for election and serve as directors if elected. Each elected director will hold office until the close of the next annual meeting or until his or her successor is duly elected or appointed.

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favour of the election of each of the nominees named below as directors of Pipestone Energy.

Information Regarding Proposed Directors

Below are condensed biographies for each director standing for election at the Meeting:

Gordon M. Ritchie (Chair, Independent)

Mr. Ritchie was with RBC Capital Markets for 37 years, retiring from the position of Vice Chairman in 2016. From 2001 through 2005, Mr. Ritchie served as Managing Director and Head of RBC's Global E&P Energy Group. Previously, Mr. Ritchie spent six years in New York where he served as President and CEO of RBC's U.S. Broker/Dealer, RBC Dominion Securities Corporation (1993 to 1999), where he was responsible for development and execution of RBC Capital Markets' U.S. business strategy. From 1989 through 1993, Mr. Ritchie was Managing Director of RBC's International Corporate Finance Group based in London, England.

Mr. Ritchie has extensive experience in investment banking with RBC Capital Markets in Europe, the United States and Canada. Mr. Ritchie holds an MBA (1977) from the University of Western Ontario and a Bachelor of Economics (1975) from the University of Alberta. Mr. Ritchie has held securities industry regulatory designations in Canada, the U.K. and the U.S. and served for two years as a member of the New York area Advisory Committee to the New York Stock Exchange board of directors. Mr. Ritchie is the Chairman of the board of directors for Obsidian Energy Ltd. and previously served as the lead independent director for Kinder Morgan Canada Limited.

Garth Braun (Independent)

Mr. Braun was previously the Chairman, President and Chief Executive Officer of Blackbird Energy Inc. prior to its amalgamation with Pipestone Oil Corp. on January 4, 2019 to form Pipestone Energy. Mr. Braun is a seasoned oil and gas executive with over 20 years of oil and gas experience combined with 35 years of diversified business experience in finance and real estate. Mr. Braun led Blackbird Energy Inc. through the successful acquisitions of two E&P companies, the divestiture of non-core Montney assets, the accumulation of its Montney land at Pipestone/Elmworth and the drilling of Blackbird's Elmworth Montney wells. Mr. Braun is also a founder and director of Stage Completions Inc., an innovative downhole completions company. Mr. Braun was previously the Chairman and Chief Executive Officer of an international oil and gas company, an investment banker and a principal of a private real estate development company that completed over \$1 billion in real estate development. Mr. Braun has an Honours Degree in Business Administration from Simon Fraser University majoring in economics, finance and accounting.

William Lancaster (Independent)

Mr. Lancaster joined GMT Energy as Vice President Exploration and Production on January 1, 2000. Effective April 20, 2001, Mr. Lancaster was named President of GMT Energy. Mr. Lancaster resigned from his position with GMT Energy effective January 4, 2005, and has since then served as a member of the board of directors and President of GMT Exploration. Mr. Lancaster has also served on the board of directors of Coelacanth Energy Inc. as Chairman since June 2022.

Mr. Lancaster graduated from the University of Colorado with a bachelor's degree in Geologic Engineering in 1978. Mr. Lancaster is a former president of the Colorado Oil and Gas Association, is on the board of directors for the Western Energy Alliance, and is a member of the Rocky Mountain Association of Geologists, and the American Association of Petroleum Geologists.

John Rossall (Independent)

Mr. Rossall was the Executive Director, North America for Repsol Oil & Gas Canada Inc. ("**Repsol**"), retiring from this position in July 2018. In November 2011, Mr. Rossall joined Talisman Energy Inc. ("**Talisman**"), where he led Talisman's Canadian oil and gas business, and subsequently assumed responsibility for Repsol's North American business in May 2015 with the acquisition of Talisman by Repsol. Prior to joining Talisman, Mr. Rossall was President and Chief Executive Officer of ProspEx Resources Ltd., a TSX listed junior oil and gas company from 2004 to 2011. Previously, Mr. Rossall was the Vice-President of the North Business Unit of Burlington Resources Canada Ltd. ("**Burlington**"). Prior to the acquisition of Canadian Hunter Exploration Ltd. ("**Canadian Hunter**") by Burlington, Mr. Rossall led the Deep Basin business at Canadian Hunter. Mr. Rossall was also the Chairman of the board of governors of the Canadian Association of Petroleum Producers from December 2014 to April 2016. Mr. Rossall has also served on the board of directors of Peyto Exploration and Development Corp. since May 2019.

Mr. Rossall holds a BAsC in Chemical Engineering (1984) from the University of Waterloo and has completed the Program for Management Development at the Harvard Business School.

Robert Tichio (Independent)

Mr. Tichio is a Partner of Riverstone, a private equity firm that manages a portfolio of energy investments. Prior to joining Riverstone in 2006, Mr. Tichio was in the Principal Investment Area of Goldman Sachs, which manages the firm's private corporate equity investments. Mr. Tichio began his career at J.P. Morgan in the Mergers & Acquisition group, where he concentrated on assignments that included public company combinations, asset sales, takeover defenses, and leveraged buyouts. Mr. Tichio currently serves on the board of directors of Permian Resources Corporation, Tritium pty, Hammerhead Energy Inc., and several private energy and decarbonization companies in the U.S. and Canada.

Mr. Tichio received his A.B. from Dartmouth College as a Phi Beta Kappa graduate and later received his M.B.A. with Distinction from Harvard Business School.

Jesal Shah (Independent)

Mr. Shah is a Managing Director of Riverstone, a private equity firm that manages a portfolio of energy investments. Mr. Shah joined Riverstone in 2010 as an Associate and returned to Riverstone in 2015 after earning his M.B.A. Prior to joining Riverstone, Mr. Shah was an Investment Banking Analyst in the Global Energy Group at Credit Suisse. While at Credit Suisse, Mr. Shah worked on M&A transactions and capital markets financings, with a focus on the energy and power sector. Mr. Shah serves on the board of Hammerhead Energy Inc. and several other private energy companies in the U.S. and Canada.

Mr. Shah graduated summa cum laude from Tufts University with a B.A. in Economics and Spanish, and received his M.B.A. from Harvard Business School.

Kimberly Anderson (Independent)

Ms. Anderson is currently the Chief Financial Officer of Heartland Generation Ltd. She joined the company in November 2019. Prior thereto, Ms. Anderson was Chief Financial Officer of Athabasca Oil Corporation ("Athabasca") from 2014 to 2019. Prior to Athabasca, Ms. Anderson held senior financial positions with Canadian energy and infrastructure companies, including Kanata Energy Ltd. and Provident Energy Ltd. Ms. Anderson has over 20 years of diversified experience in energy and finance, including debt and equity capital markets, mergers and acquisitions, treasury and risk management, and all aspects of corporate compliance functions.

Ms. Anderson is a Chartered Professional Accountant and holds a Bachelor of Commerce from the University of Calgary. She also currently serves on the board of directors of Renfrew Educational Services.

Paul Wanklyn (President and Chief Executive Officer, Non-Independent)

Mr. Wanklyn is the President and Chief Executive Officer of Pipestone Energy. Mr. Wanklyn was previously the President of Pipestone Oil Corp. (prior to its amalgamation with Blackbird Energy Inc. to form Pipestone Energy) and a Partner at Grafton Asset Management. Mr. Wanklyn started his career at Canadian Hunter Exploration Ltd. in 1982, and ultimately was the company's British Columbia Exploration Manager. Since 1993, Mr. Wanklyn has co-founded and has acted as CEO in numerous private and public exploration and production companies with operations in Western Canada and the U.S.

Mr. Wanklyn received a MSc. in Geology from the University of Colorado in 1985 and a B.Comm from the University of Alberta in 1981. He is an advisory board member of the University of Calgary, Hotchkiss Brain Institute, a Board member of private UK E&P exploration company, Connaught Energy, and a past Board member of the Explorers and Producers Association of Canada.

The table below sets out the name of each of the persons proposed to be nominated for election as a director, his or her jurisdiction of residence, all positions and offices with Pipestone Energy presently held by him or her, his or her current principal occupation, the period during which he or she has served as a director of Pipestone Energy or its predecessor, Pipestone Oil Corp., and the number of Common Shares that they have advised are beneficially owned by them, directly or indirectly, or over which control or direction is exercised by him or her, as of May 8, 2023.

<u>Name and Jurisdiction of Residence⁽¹⁾</u>	<u>Position Presently Held with Pipestone Energy</u>	<u>Principal Occupation⁽¹⁾</u>	<u>Date of Appointment or Election as Director</u>	<u>Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾</u>
Gordon M. Ritchie ⁽²⁾⁽³⁾⁽⁴⁾⁽⁹⁾ Calgary, Alberta, Canada	Director, Chair of the Board	Corporate Director	January 2019	270,737
Garth Braun ⁽³⁾⁽⁴⁾⁽⁹⁾ Langley, British Columbia, Canada	Director	Founder and director of Stage Completions Inc.	January 2019	1,845,558
William Lancaster ⁽³⁾⁽⁶⁾⁽⁷⁾⁽⁹⁾⁽¹⁰⁾ Denver, Colorado, USA	Director	President of GMT Exploration	January 2019	15,764,800
John Rossall ⁽⁴⁾⁽⁸⁾⁽⁹⁾ Calgary, Alberta, Canada	Director	Corporate Director	January 2019	469,179
Robert Tichio ⁽⁴⁾⁽⁹⁾⁽¹¹⁾ New York, New York, USA	Director	Partner at Riverstone	January 2019	-
Jesal Shah ⁽⁷⁾⁽⁹⁾⁽¹¹⁾ New York, New York, USA	Director	Managing Director at Riverstone	June 2021	-
Kimberly Anderson ⁽⁵⁾⁽⁹⁾ Calgary, Alberta, Canada	Director	Chief Financial Officer of Heartland Generation Ltd.	September 2021	19,624

Paul Wanklyn ⁽¹²⁾ Calgary, Alberta, Canada	Director, President and Chief Executive Officer	President and Chief Executive Officer of Pipestone Energy	January 2019	962,164
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Notes:

- (1) The information as to residence, principal occupation and voting securities beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective individuals. The number of Common Shares beneficially owned, controlled or directed by each director does not include Common Shares issuable on the exercise of securities granted under the LTIP.
- (2) Mr. Ritchie is the Chair of the Board.
- (3) Member of the Audit Committee.
- (4) Member of the C&G Committee.
- (5) Ms. Anderson is the chair of the Audit Committee.
- (6) Mr. Lancaster is chair of the C&G Committee.
- (7) Member of the Reserves & HSE Committee.
- (8) Mr. Rossall is chair of the Reserves & HSE Committee.
- (9) Independent director.
- (10) Mr. Lancaster is President of GMT Exploration, which holds 15,562,373 Common Shares. Mr. Lancaster exercises control and direction over these Common Shares. Certain hedge fund and private client managed accounts of GMT Capital, for which it has discretionary investment authority, collectively hold 37,675,762 Common Shares. According to a Form 62-103F3 filed by GMT Capital on February 10, 2023 pursuant to National Instrument 62-103 (Part 4 – Alternative Monthly Reporting System), GMT Capital specifically disclaims any ownership or control over the Common Shares held by GMT Exploration and confirms that there is no agreement, commitment or understanding between GMT Capital and GMT Exploration with regards to the acquisition or disposition of, or the exercise of any of the voting or exercise rights attaching to, any of the Common Shares. Mr. Lancaster does not exercise control and direction over any of the Common Shares held by the funds and accounts managed by GMT Capital. Mr. Lancaster is the nominee of GMT Capital pursuant to the GMT Capital Nomination Agreement.
- (11) Mr. Tichio is a Partner of, and Mr. Shah is a Managing Director of, Riverstone. As of the Record Date, RP LP holds 70,711,226 Common Shares. Messrs. Tichio and Shah may be considered to indirectly exercise some degree of control and direction over the Common Shares owned by RP LP. As of the Record Date, Riverstone CNOR holds 35,440,357 Common Shares. Messrs. Tichio and Shah may be considered to indirectly exercise some degree of control and direction over the Common Shares owned by Riverstone CNOR. Messrs. Tichio and Shah are nominees of RP LP pursuant to the Riverstone Nomination Agreement.
- (12) Mr. Wanklyn is the nominee of Al Mehwar pursuant to the Al Mehwar Nomination Agreement.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, none of the proposed directors are, as at the date hereof, or have been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company that: (i) while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company an exemption under securities legislation, for a period of more than 30 consecutive days; or (iii) while such person was acting in that capacity, or within a year of such 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.

Mr. Tichio was a director of Castex Energy I, LLC, the general partner of Castex Energy 2005 L.P. On October 16, 2017, Castex Energy 2005 L.P. and four affiliated debtors each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas, Houston Division. On August 31, 2018, the Court ordered these bankruptcy cases closed. Mr. Tichio was a director of Castex Energy I, LLC at the time of such bankruptcy filing.

Mr. Tichio was a director of EP Energy Corporation. On October 3, 2019, EP Energy Corporation and certain of its direct and indirect subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas, Houston Division. Mr. Tichio was director of EP Energy Corporation at the time of such bankruptcy filing and remained a director until resigning effective October 1, 2020 with the emergence of EP Energy Corporation from Chapter 11.

Mr. Braun was the Chief Financial Officer of Huldra Silver Inc. ("Huldra") from June 23, 2010 to January 20, 2015. In July 2013, Huldra sought and obtained creditor protection under the Companies' Creditors Arrangements Act (Canada) (the "CCAA"). In November 2014, Huldra implemented its CCAA restructuring in accordance with the terms and conditions of its Plan of Compromise and Arrangement (the "Plan") under the CCAA. The Plan was approved by the creditors of Huldra on September 23, 2014 and sanctioned by the Supreme Court of British Columbia on October 10, 2014. Huldra exited creditor protection under the CCAA in November 2014.

Mr. Ritchie was a director of Gemini Corporation, a TSXV listed corporation from November 2012 to December 2016, and again in May 2017 to April 2018. In April 2018, ATB Financial, Gemini Corporation's senior secured creditor, applied to the Alberta Court of Queen's Bench for a receivership order, which was subsequently granted. FTI Consulting Canada Inc. was appointed as receiver of all of Gemini Corporation's assets, undertakings and properties. Shares of Gemini Corporation were cease-traded on April 19, 2018. Mr. Ritchie had acted as a director of Gemini Corporation within the year prior to the granting of the receivership order.

No proposed director (or any personal holding company of such person), has 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 or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in making an investment decision.

Personal Bankruptcies

No proposed director (or any personal holding company of such person), has, within the 10 years preceding the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Additional Information Related to Voting Practices

The Board has adopted a majority voting policy requiring that a director tender his or her resignation if more votes are "withheld" from the election of such director than are voted "for" the election of such director at any meeting where shareholders vote on the uncontested election of directors. The C&G Committee of the Board will consider any such resignation and the relevant facts and circumstances and make a recommendation to the Board. The director will not participate in any C&G Committee or Board deliberations on the resignation or otherwise until the Board has determined whether or not to accept the director's resignation. The Board will make its decision to accept or reject the resignation within 90 days and will issue a news release promptly following such determination. The Board may fill the vacancy in accordance with the Corporation's by-laws and applicable corporate laws.

Strategic Planning

The Board is actively involved in the strategic planning process and oversees the development and achievement of Pipestone Energy's strategic goals. In the first fiscal quarter of each year since the completion of the Amalgamation in January 2019, the Board and members of management have held a strategic planning session during which they developed both short-term and long-term strategic plans. A significant portion of time is set aside at each Board meeting to revisit strategic planning. During these strategy updates, management presents a review of exploration and production activities, financial forecasts, cost-reduction initiatives, market and commodity price outlooks, long-term budgeting, acquisition and divestment opportunities, human resource initiatives, and environmental performance and objectives. The Board also discusses any potential adjustments to the strategic plan in light of the current business environment.

Shareholder Engagement

Pipestone Energy and the Board believe in the importance of regular and open dialogue with its Shareholders. To that end, the Corporation's executive team engages with both institutional and retail shareholders, sell-side research and sales representatives, government officials and other interested stakeholders throughout the year. This is achieved

through virtual or in-person meetings, participation in industry-based institutional conferences, through the hosting of quarterly conference calls with open question and answer sessions, as well as through the provision of investor relations contact information and responding to inquiries from stakeholders in a timely manner.

COMPENSATION DISCUSSION & ANALYSIS

General

The following describes the significant elements of the Corporation's executive compensation program, with particular emphasis on the process for determining compensation payable to the President and CEO, the CFO and the other executive officers of the Corporation and each of the directors for the financial year ended December 31, 2022. The Corporation has four Executive Officers:

Paul Wanklyn, President and CEO;
Craig Nieboer, CFO;
Dustin Hoffman, Chief Operating Officer; and
Dan van Kessel, Vice President, Corporate Development

Based on recommendations made by the C&G Committee, the Board makes decisions regarding salaries, annual bonuses and equity incentive compensation for the Executive Officers, and approves corporate goals and objectives relevant to the compensation of the CEO and the other executive officers. The Board solicits input from the CEO and the C&G Committee regarding the performance of the Corporation's other executive officers.

The Board also administers the Corporation's LTIP with the assistance of the C&G Committee.

Corporate Governance & Compensation Committee

The C&G Committee is a committee of the Board of Directors and reports to the full Board on, among other things, executive compensation matters. The members of the C&G Committee for the year ended December 31, 2022 consisted of Messrs. William Lancaster (Chair), Gordon M. Ritchie, Garth Braun, John Rossall and Robert Tichio, all of whom have served or currently serve in senior management roles and/or on compensation committees for other issuers and, accordingly, have experience in assessing survey and other compensation data and criteria relevant to discharging the C&G Committee mandate and their roles on such committee. In addition, the relevant education and experience of each member of the C&G Committee is set forth under the heading "*Business to be Acted Upon at the Meeting – Election of Directors – Information Regarding Proposed Directors*" in this Information Circular. Each member of the C&G Committee is independent.

C&G Committee Mandate

The Board has adopted a mandate for the C&G Committee, which provides that it is the C&G Committee's responsibility to formulate and make recommendations to the Board in respect of compensation issues relating to directors, officers and employees of the Corporation. See "*Compensation Discussion & Analysis – Corporate Governance & Compensation Committee*" for more information regarding the duties of the C&G Committee.

The C&G Committee is required to be comprised of at least three directors and shall be comprised of a majority of independent directors, as such term is defined for this purpose under Canadian Securities Laws. Pursuant to the mandate of the C&G Committee, meetings of the C&G Committee are to take place at least one time per year and at such other times as may be requested by any member of the Board, and member of the C&G Committee, or any officer of the Corporation.

Establishment of the C&G Committee and Compensation Objectives

The C&G Committee, aims to focus on the following:

- articulating an appropriate compensation philosophy;

- developing an appropriate compensation peer group;
- reviewing executive and director pay levels against the approved peer group;
- developing an appropriate short-term incentive plan and long-term incentive plan; and
- implementing market competitive executive pay-related governance provisions.

The C&G Committee is charged with, among other things, the responsibility for overall employee and executive officer compensation, reviewing and approving changes to the Corporation's compensation policies and making recommendations to the Board.

Compensation Philosophy and Objectives

The Board recognizes that the Corporation's success is dependent on its ability to attract, retain and motivate superior performing employees at all levels, which can only occur if the Corporation has an appropriately structured and executed compensation program. The Corporation's executive compensation program is intended to align with competitive market practice in order to attract and retain key talent, while considering the growth opportunities of Pipestone Energy's business, and to motivate high performing executives, encourage and reward superior performance and align management's interest with those of the Shareholders. This is accomplished by providing the opportunity for total compensation that is competitive with comparable companies, by ensuring that a significant proportion of executive compensation is aligned with performance or is at-risk compensation (both corporate and individual) and by providing executives with short and long-term incentives through the use of an annual bonus structure and the award of Options, PSUs and RSUs under the LTIP.

The compensation philosophy of the Corporation incorporates competitive cash compensation and benefits with upside potential that is intended to encourage decisions and actions that will result in the Corporation's growth and in the creation of long-term Shareholder value.

Position Description – CEO

The Board, with the input of the CEO, has developed a written position description for the CEO. The prime responsibility of the CEO is to lead Pipestone Energy and to create shareholder value by developing a long-term strategic direction (the "**Strategic Direction**") for the Corporation that consistently delivers superior financial, operational, safety, and ESG performance relative to its peer group. Once this Strategic Direction is approved by the Board, the CEO takes ownership and accountability for its execution. The CEO reports to the Board. In fulfilling his or her prime responsibility, the CEO will:

- formulate the Corporation's policies that take into account best practises, and consider the risks and opportunities facing the Corporation, and present them to the Board for approval;
- develop, recommend to the Board for approval and implement annual business plans and budgets that support the Corporation's Strategic Direction;
- maintain regular communications with the Board Chair during the course of the year including with respect to the Corporation's business, items of importance for consideration by the Board and the responsibilities of the Board;
- build an effective management team below the level of the CEO, and oversee the Corporation's active plan for management's development and succession, including a successor for the CEO;
- provide leadership, guidance and inspiration to the senior leadership team;
- evaluate the performance of officers of the Corporation and other senior employees and make recommendations to the Board with respect to their compensation and advancement;

- ensure that the day-to-day business affairs of the Corporation are appropriately managed;
- foster a corporate culture that promotes compliance with all applicable laws, ethical practices and encourages individual integrity;
- maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of top-quality employees at all levels;
- oversee and take steps to enhance where necessary, reliable internal control systems within the Corporation;
- keep the Board fully informed in a timely and candid manner of the progress of the Corporation towards the achievement of its established goals, all material deviations from the goals or objectives and policies established by the Board and other developments that may have a material impact on the Strategic Direction of the Corporation;
- fulfill all responsibilities as assigned by the Board, in the manner expected by the Board;
- oversee timely, meaningful and accurate communications with Shareholders and the public respecting the Corporation's Strategic Direction, business plans, operations and financial position;
- promote and maintain effective relationships with governments, regulators, non-governmental organizations and other key external stakeholders;
- represent the Corporation in a way that enhances and maintains the Corporation's reputation; and
- serve as the chief spokesperson for the Corporation.

Key Compensation-Related Governance Practices

The following table summarizes the key features of the Corporation's compensation structure, which are important individually, and when taken together, demonstrate the C&G Committee's commitment to strong governance, risk management, shareholder alignment and pay for performance philosophy.

<u>Key Practice</u>	<u>Objectives</u>		
	<u>Risk Mitigation</u>	<u>Retention</u>	<u>Shareholder Alignment</u>
<i>Compensation Structure Reflects Responsibilities and Compensation Risk of Executive Officers.</i> The compensation structure for the Executive Officers, which provides more at-risk compensation and reflects their responsibilities and overall impact on the Corporation's performance.	Yes	Yes	Yes
<i>Dedicated Compensation Committee.</i> The Board has created a separate, majority independent and engaged C&G Committee with the necessary skills, knowledge and experience to make appropriate compensation decisions. The C&G Committee's risk management practices ensure that the Corporation's compensation structure encourages and rewards the right behaviors.	Yes	Yes	Yes
<i>Equity Ownership Policy.</i> All Executive Officers and directors of the Corporation are required to maintain certain minimum holdings of	Yes		Yes

Common Shares within 5 years of the effective date of the Amalgamation.

<i>Speculative Trading Prohibited.</i> All directors, officers and employees of the Corporation are prohibited from participating in transactions that could be perceived as speculative or influenced by positive or negative perceptions of the Corporation’s prospects.	Yes		Yes
<i>Policy Compliance.</i> All directors, Executive Officers and other employees of the Corporation sign the Code of Conduct on an annual basis.	Yes		
<i>Change of Control Agreements.</i> All of the Executive Officers have employment contracts that contain a “double trigger” change of control provision related to severance payments.	Yes	Yes	Yes
<i>Overlap of Board Committees.</i> Overlap of the Board’s committee members helps to provide context in terms of compensation risk management. Board members who are not part of the C&G Committee are invited to provide input when needed as well as attend meetings of committees which they are not members of.	Yes		
<i>Incentive Compensation Clawback Policy.</i> Compensation paid to all Executive Officers of the Corporation is subject to repayment if financial results, which were the basis for the payment of the compensation, were subsequently restated or where the officer has engaged in misconduct.	Yes		Yes

Compensation Consultant

The C&G Committee engages an independent consultant that is directly retained, receives instructions from, and reports to the G&C Committee. All work performed by the consultant must be pre-approved by the C&G Committee. The consultant’s role is to provide independent advice, analysis and expertise to assist the C&G Committee in evaluating compensation recommendations in order to ensure sound decisions are made within an effective governance framework.

While the C&G Committee considers the information and recommendations provided by the independent consultant, it ultimately relies upon its own judgment and experience in making compensation decisions.

The C&G Committee engaged Hugessen as its independent consultant from January 2019 to May 2021. In November 2021, the C&G Committee engaged Mercer as its ongoing independent consultant. Mercer is a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. Marsh Canada, another subsidiary, provides other services to Pipestone Energy that are unrelated to executive and director compensation.

The fees paid or accrued to Hugessen and Mercer for executive compensation services, as well as the fees paid or accrued to Marsh Canada for insurance services, for the two most recently completed financial years are summarized below.

<u>Advisor</u>	<u>Year</u>	<u>Executive Compensation-Related Fees</u>	<u>All Other Fees⁽¹⁾</u>
Mercer	2022	\$79,481	\$16,236
	2021	\$55,520	\$9,475
Marsh Canada	2022	-	\$15,904
	2021	-	\$5,000
Hugessen	2022	-	-
	2021	\$39,589	-

Note:

(1) All Other Fees pertain to employee compensation surveys provided by Mercer and insurance services provided by Marsh Canada.

Survey Practices

In order to meet the Corporation's objectives of providing market competitive compensation opportunities, the C&G Committee retained Mercer to provide it with compensation data from organizations of comparable size and other companies that the Corporation competes with for talent. The C&G Committee further reviews industry surveys and other external market data and reviews compensation data gathered from management information circulars of other publicly traded companies.

Peer Group

The C&G Committee's objective is to ensure that the compensation of the Executive Officers provides a competitive package that reflects both base expectations to attract and retain the appropriate level of individuals, as well as provide a link between discretionary short and long-term incentives with short and long-term corporate goals. The compensation package is designed to reward performance based on the achievement of goals and objectives and to be competitive with comparable companies in the market with which the Corporation competes for talent.

In order to ensure that the Corporation's overall compensation package is competitive, the C&G Committee, with the assistance of Mercer, reviewed the most recent publicly available compensation information from other companies considered to be within the Corporation's peer group (the "**Peer Group**"). The Peer Group consists of similar-sized oil and natural gas companies, based on different factors such as level of production, leverage, production mix, and market capitalization. For the purposes of benchmarking executive compensation, the C&G Committee and the Board recognize that market data can be imperfect due to factors such as the peer group used, individual levels of responsibility as well as the timeliness of the information. This can cause some discrepancies in the data especially for the most senior positions (i.e. CEO, CFO, Chief Operating Officer) and therefore judgement is applied to interpret the information. This involves analyzing various data points to ensure the reasonability of the data being used.

The 2022 Peer Group consisted of the following companies whose total enterprise value (as at October 2022) was \$158 million to \$3.6 billion, and average oil and natural gas production for 2021 ranged between 3,000 to 80,000 boe/d. Pipestone Energy production averaged 31,090 boe/d during 2022.

Peer Group – 2022

NuVista Energy Ltd.	Bonterra Energy Corp.
Pine Cliff Energy Ltd.	Cardinal Energy Ltd.
Kelt Exploration Ltd.	Crew Energy Inc.
Surge Energy Inc.	Athabasca Oil Corp.
Advantage Energy Ltd.	Yangarra Resources Ltd.
Tamarack Valley Energy Ltd.	Leucrotta Exploration Inc.
Birchcliff Energy Ltd.	Paramount Resources Ltd.
Spartan Delta Corp.	Obsidian Energy Ltd.

Risk of Compensation Policies and Practices

The C&G Committee and the Board have considered the implications of the risks associated with the Corporation's compensation policies and practices and has determined that there are no significant areas of risk given the nature of the compensation provided. The reasons for this determination include, without limitation, the following: components of the compensation are awarded on a discretionary basis; the compensation package for the executive team is reviewed and assessed annually by the C&G Committee and the Board; the compensation program consists of fixed (base salary) and variable or at-risk compensation (annual cash bonuses and long-term incentive security grants), which is designed to balance the level of risk-taking while also focussing on generating long-term and sustainable value for shareholders; RSUs vest over a period of three years and PSUs cliff vest at three years, which acts to further mitigate against the potential for inappropriate short-term risk-taking; and there are no compensation policies and practices that are significantly different for any of the Executive Officers. The formulaic nature of the annual bonus awards and the discretionary nature of the PSU and RSU grants are significant elements of the Corporation's compensation plans and provide the Board and the C&G Committee with the ability to reward individual and corporate performance and individual behaviour that the Board and the C&G Committee consider to be aligned with the best interest of the Corporation. The C&G Committee and the Board continue to monitor compensation risk assessment practices on an ongoing basis to ensure that the Corporation's compensation program is appropriately structured. In 2022, the C&G Committee and the Board approved the grant of Options to the Executive Officers, in addition to RSUs and PSUs. Similar to the RSUs, the Options vest over a period of three years.

The Corporation's Policies and Procedures Governing Insider Trading, which are contained in the Code of Conduct provides that directors, officers and employees of the Corporation are prohibited from participating in transactions that could be perceived as speculative or influenced by positive or negative perceptions of the Corporation's prospects. Such prohibited speculative transactions include the use of puts, calls, collars, spread bets, contracts for difference, engaging in short selling (i.e. selling securities not owned or not fully paid for). The Code of Conduct can be accessed on SEDAR at www.sedar.com.

Key Elements of Compensation

For the year ended December 31, 2022, the compensation program for the Executive Officers consisted of six components: base salary and benefits, annual bonuses, PSUs, RSUs, Options and an ESPP. The base salary and benefits represent the fixed portion of the compensation which is tied to market competitiveness and set with a view to attracting and retaining key employees. The annual bonus is formulaic and supports the achievement of individual and corporate performance. The grant of PSUs, RSUs and Options is designed to align the interests of employees (including the Executive Officers) with Shareholders over both the medium and longer terms.

Component	Form of Compensation	Applied To (2022)	Duration	Purpose
Base Salary	Cash	Executive Officers All employees	1 year	Base salaries are paid in cash and are a portion of total direct compensation that is not at-risk. Salaries are determined by evaluating the scope of the executive's role, general economic conditions, market compensation, the executive's level of experience and their performance.
Short Term Incentives	Cash	Executive Officers Eligible employees	1 year	The annual STIP provides the opportunity to earn a cash bonus based on company-wide and individual performance. This compensation is at-risk.
Medium to Long-Term Incentives	PSUs RSUs Options	Executive Officers (PSUs, RSUs, Options) Eligible Employees (RSUs, Options) Directors (RSUs)	1/3 vesting over 3 years for RSUs and Options 3 year cliff vesting for PSUs	The LTIP provides mid- to long-term equity-based incentive award opportunities that are aligned with share price performance. This compensation is at-risk.
ESPP	Common Shares (up to 10% of Base Salary matching)	Electing Executive Officers Electing employees	1 year	Pipestone Energy offers an employee savings program.
Benefits	—	All employees	1 year	Pipestone Energy offers market competitive comprehensive health benefits.

The C&G Committee and the Board believe in a heavier weighting on “at-risk” compensation, the use of balanced performance measures to determine STIP payouts and a significant weighting towards LTIP compensation, in order to provide pay-for-performance while at the same time discouraging inappropriate risk-taking and providing appropriate retention incentives.

Base Salaries and Benefits

The base salary is intended to provide a fixed level of compensation that reflects the NEO's primary duties and responsibilities. It also provides a foundation upon which incentive opportunities and benefit levels can be established. The Board considers a number of factors in the determination of base salaries for NEOs, including Pipestone Energy's long-term interests, individual leadership expectations and ability, level of responsibility, individual performance, years of relevant experience and salaries paid by comparable companies in the industry. Salaries of the NEOs are reviewed annually based upon corporate and personal performance and by taking into account individual levels of responsibility. Generally, the C&G Committee targets the median salary range based on the data that it considers

including industry assessments, surveys and other market and competitive data for comparable sized companies in the oil and gas industry.

The Corporation's group life, short-term disability, long-term disability, health and dental benefit plans are comparable to industry peers and are available to all full-time employees.

At-Risk Components of Compensation

The Executive Officers have fixed and variable at-risk components of compensation. The program is intentionally designed to be more heavily weighted towards variable at-risk elements of compensation. The variable compensation is at-risk either in the current year based on Pipestone Energy's performance at the time of award or at any time prior to being exercised, reinforcing accountability for corporate and personal performance.

Short-Term Incentive Plan

In general, the Corporation attempts to provide competitive pay for achieving target or expected performance, with an annual incentive bonus structure with a formulaic approach to calculating the degree of over/under performance by establishing pre-specified threshold and maximum performance (the "Scorecard"). The Scorecard is meant to introduce a process that is objective and formulaic in nature; however, ultimate annual bonus outcomes may be adjusted based on the Board's discretion.

The 2022 Scorecard has been structured by the C&G Committee with the goals of ensuring: (a) the alignment of management compensation with both short and long-term shareholder value creation; and (b) the alignment of execution with strategy in benchmarking performance and compensation alongside industry peers. The 2022 Scorecard results, as recommended by the C&G Committee and approved by the Board, were as follows:

Scorecard - 2022

Performance Metric	2022 Metrics Included	Allocation
Financial	Balance sheet strength, ROCE, CROIC, free cashflow, and operating net-back ⁽¹⁾	25%
Strategic	Allocation of cash flow, mid and long-term projects, and shareholder returns	30%
Operational	Production growth, operating costs, and execution of the capital program	30%
Safety, Asset Integrity and Environmental	Recordable injuries, lost time injuries, GHG emissions, maintaining EO certification, and effective stakeholder relations	15%

Notes:

(1) Free cash flow, operating netbacks, ROCE and CROIC are non-GAAP measures which are defined as free cash flow, operating netback, ROCE and CROIC in the Corporation's management's discussion and analysis for the year ended December 31, 2022 and 2021 (under the section "Non-GAAP measures" starting at page 25), which section is incorporated by reference in this Information Circular. The Corporation's management's discussion and analysis for each of the periods noted above is available on SEDAR at www.sedar.com under Pipestone Energy's company profile.

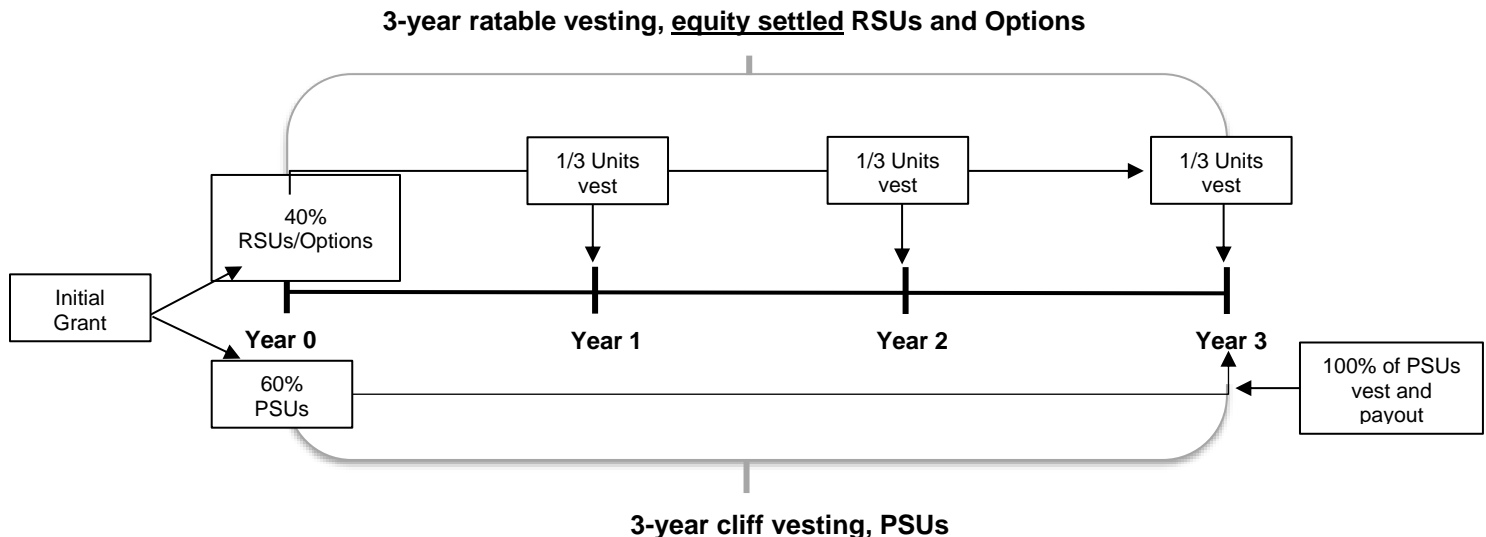
Long-Term Incentive Plan Design

The LTIP strengthens the alignment between executive compensation and the long-term interests of Shareholders. The grant of equity-based compensation to the NEOs is determined by the Board with the recommendation of the C&G Committee. Awards under the LTIP provide Shareholder-aligned incentives to the Executive Officers who make material contributions to the successful operation of the business, to increase executives' ownership interest in Pipestone Energy and to allow the Corporation to attract and retain key executives. The LTIP is administered by the C&G Committee. The C&G Committee makes recommendations to the Board regarding the approval of LTIP grants for the Executive Officers, after considering Peer Group benchmarking data provided by an independent compensation consultant as well as the performance and experience of the executive team. Total direct compensation is targeted to be competitive, within the median range of the Peer Group, with the opportunity for total direct compensation to exceed the median when individual and corporate performance are above expectations or to be below the median when performance is below expectations. The weighting in long-term incentives is intended to strengthen the alignment between executive pay and the creation of long-term Shareholder value. Previous grants of long-term incentive will be reviewed when new grants are awarded, but that is only one of many factors considered when determining grants under the LTIP. Notwithstanding any other provision of the LTIP, the number of Common Shares issuable to insiders of the Corporation, at any time, under all security-based compensation arrangements, including the LTIP, shall not exceed 10% of the issued and outstanding Common Shares and the number of Common Shares issued to insiders of the Corporation within any one year period also shall not exceed 10% of the issued and outstanding Common Shares unless disinterested shareholder approval is obtained.

LTIP awards granted to the Executive Officers in 2022 consisted of 10% Options, 30% RSUs and 60% PSUs and were awarded to Executive Officers at the prevailing FMV of \$4.58 per unit on the grant date.

A description of the LTIP awards approved for each of the Executive Officers in 2022 is provided under the heading “*Compensation Discussion & Analysis – Key Elements of Compensation*”. The LTIP is an omnibus plan comprised of PSUs, RSUs and Options, which allows the Corporation flexibility to adjust the LTIP mix in the future.

Performance Share Units



The PSUs are performance-based and are designed to reward the Executive Officers for enhancing value for Shareholders. The PSUs are adjusted based on various performance metrics designed to incentivize executives to outperform the Corporation's internal targets and encourage sustained longer-term business performance. The PSUs may payout, with cliff vesting in the third year (100% in the year of the third anniversary of the grant), based on a vesting level between 0% and 200% of the number of PSUs initially awarded.

For PSUs granted to the Executive Officers in 2022, payout amounts are contingent upon relative annual TSR as the over-arching three-year metric. As such, 40% of the performance formula is based on the Corporation's relative annual TSR over the full three-year vesting period. Annually an additional 20% of the performance formula is locked in at the conclusion of each year using the short-term benchmarks as determined year to year by the C&G Committee and the Board to make up the remaining 60% of the PSU scorecard. For 2022, the total performance Scorecard multiplier was 0.9x.

Restricted Share Units

The RSUs are time-based and are designed to reward Executive Officers, directors and eligible employees for enhancing value for Shareholders. The RSU payout, calculated using the FMV, provides an incentive to increase the value of the Common Shares. One-third of the total number of RSUs vest on each of the first three anniversaries of the grant.

Terms of Awards of PSUs and RSUs

PSUs and RSUs may be issued to a director, officer, employee or consultant of the Corporation or of any of its subsidiaries or affiliates (each, an "**Eligible Person**"), although the Corporation only intends to offer PSUs to the Executive Officers. The number of PSUs or RSUs granted to an Eligible Person (an "**Award**") is determined by dividing the dollar value of the Award by the FMV at the time of grant. Awards can be settled by: (i) cash payment; (ii) the issuance of Common Shares from treasury by the Corporation; (iii) the delivery of Common Shares purchased in the open market by the Corporation; or (iv) a combination of (i), (ii) and (iii), as soon as reasonably practicable, and in any event on or within 90 days following the vesting date.

An account, called a "**Share Unit Account**", is maintained by the administrator engaged by the Corporation for each Participant and is credited with such grants of PSUs, RSUs or Dividend Share Units as are received by the Participant from time to time.

If dividends (other than stock dividends) are paid on the Common Shares, additional units ("**Dividend Share Units**") shall be credited to a Participant's Share Unit Account as of the dividend payment date. The number of Dividend Share Units to be credited to the Participant's Share Unit Account shall be determined by multiplying the aggregate number of "**Share Units**" (being PSUs, RSUs, or Dividend Share Units as the context requires) held by the Participant on the relevant record date by the amount of the dividend paid by the Corporation on each Common Share, and dividing the result by the FMV on the dividend payment date, which Dividend Share Units shall be in the form of PSUs or RSUs, as applicable. Dividend Share Units credited to a Participant's Share Unit Account in accordance with the LTIP are subject to the same vesting conditions applicable to the related PSUs or RSUs and, in the case of Dividend Share Units credited in respect of PSUs, shall be subject to the same performance multiplier applicable to the related PSUs. No Dividend Share Units shall be credited to a Participant's Share Unit Account in respect of dividends paid with respect to a record date that falls after the Participant's termination date. The Corporation did not pay any dividends on its Common Shares in 2022. On November 9, 2022, the Corporation declared an inaugural quarterly dividend of \$0.030 per Common Share, which was subsequently paid on March 31, 2023, to Shareholders of record at the close of business on March 15, 2023.

Unless otherwise determined by the Board, in its discretion, or as provided in the LTIP, the provisions of any applicable Award agreement or the Participant's employment agreement, upon the Participant ceasing to be an Eligible Person, all Awards granted to such Participant which did not vest on or prior to the Participant's termination date shall be terminated and forfeited as of the Participant's termination date for no consideration. All vested Awards shall be settled in accordance with the terms of the LTIP and the award agreement.

If the Participant's employment is terminated without "cause" (as determined in accordance with the LTIP), the Share Units credited to the Participant's Share Unit Account (whether or not vested) shall be treated on a pro-rata basis (as determined in accordance with the LTIP), and the settlement provisions of the LTIP and the Award agreement will apply to such pro-rated Awards as if the Participant was still actively employed with the Corporation through the applicable vesting and settlement dates. If the Participant's employment is terminated for "cause" (as determined in accordance with the LTIP), all Awards, whether vested or unvested, shall be terminated and forfeited as of the Participant's termination date for no consideration.

In the case of the death of the Participant, then the Board may in its discretion permit that all of the Participant's unvested Awards, or any portion thereof, will vest as of the termination date (and the "performance period" in respect of any PSUs and related Dividend Share Units held by the Participant shall be deemed to have terminated on the last day of the most recently completed interim or annual financial period of the Corporation). If the Participant suffers a "permanent disability" (as determined in accordance with the LTIP), all of the Participant's unvested Awards will vest in accordance with the vesting schedule in the applicable Award agreement(s) (and the "performance period" in respect of any PSUs and related Dividend Share Units held by the Participant shall be deemed to have terminated on the last day of the most recently completed interim or annual financial period of the Corporation). Share Units shall be settled following vesting in accordance with the LTIP.

Subject to any express resolution passed by the Board, where a Participant is a director of the Corporation who is not also an officer or employee of the Corporation, and the Participant's termination date occurs for any reason, then all outstanding Awards which are not vested Share Unit Awards shall immediately and automatically become vested and shall be paid out to such Participant in accordance with the LTIP. The C&G Committee has determined that director compensation should not be at-risk.

Subject to any express resolution passed by the Board, where a Participant's termination date occurs as a result of a "qualified retirement" (as determined in accordance with the LTIP) the Share Units credited to the Participant's Share Unit Account (whether or not vested) shall be treated on a pro rata-basis (as determined in accordance with the LTIP), and the settlement provisions of the LTIP and the award agreement will apply to such pro-rated Awards as if the Participant was still actively employed with the Corporation through the applicable vesting and settlement dates, for so long as the Participant abides by the "good leaver requirements" communicated to the recipient by the Board and the Participant does not commence competitive post-retirement work (as determined in accordance with the LTIP). The 2022 Awards granted to Mr. Wanklyn contain "qualified retirement" and "good leaver" provisions. Where at any time during the vesting period for any Award following the recipient's termination date the Participant commences competitive post-retirement work or otherwise ceases to comply with the "good leaver" requirements, as determined by the Board in its sole discretion, any Awards which are not vested shall immediately and automatically terminate as of the date determined by the Board in its sole discretion and become null and void as of such date of determination. At its discretion, the Board may require periodic written confirmation by the recipient that he or she has continued to abide by the "good leaver" requirements and not commenced competitive post-retirement work during the vesting period.

If a "change of control" occurs (as determined pursuant to the terms of the LTIP) and the Participant ceases to be an Eligible Person upon the termination of the Participant's employment: (i) by the employer or by the entity that has entered into a valid and binding agreement with the Corporation to effect the "change of control" at any time after such agreement is entered into or during the six months following the date of the "change of control", and such termination was for any reason other than for "cause" (as determined pursuant to the terms of the LTIP); or (ii) by the Participant as a result of "good reason" (as determined pursuant to the terms of the LTIP), provided the event giving rise to the "good reason" occurs within six months of the "change of control", then, unless otherwise determined by the Board prior to the "change of control", all of the Participant's unvested Awards will vest as of the Participant's termination date (and the "performance period" in respect of any PSUs and related Dividend Share Units held by the Participant shall be deemed to have terminated on the termination date). Share Units shall be settled as soon as practicable following the termination date in accordance with the LTIP. See "*Termination and Change of Control Benefits*" for more information regarding "change of control" benefits.

Options

The purpose of the grant of Options under the LTIP is to advance the interests of the Corporation by permitting, through the grant and exercise of Options, Eligible Persons to acquire Common Shares, thereby: (i) increasing the proprietary interests of such persons in the Corporation; (ii) aligning the interests of such persons with the interests of the Shareholders generally; (iii) encouraging such persons to remain associated with the Corporation; and (iv) furnishing such persons with additional incentives in their efforts on behalf of the Corporation.

Option grants are a long-term incentive as they typically vest over a period of three years. All Options granted to date vest over a period of three years. Options may be granted to all employees, consultants, officers and directors, including to Executive Officers as determined by the Board based on the recommendation of the C&G Committee. In

2022, Options were granted for the first time to the Executive Officers. No Options have been granted to directors to date. The Option exercise price shall be fixed by the Board at the time that the Option is granted, but in no event shall it be less than the FMV on the date of grant. Options expire within five years of the date of grant and the impact on the Options and holder thereof on ceasing to be an Eligible Person is substantially the same as the treatment described above for RSUs and PSUs, with the exception that all vested Options will terminate on the earlier of the date of expiration of the relevant Option and the 90th day after the date on which such Participant ceases to be an Eligible Person in the case of termination without cause or a “change of control”. The Board may, in its discretion, permit that a Participant’s Options be exercisable until the earlier of the end of their term or until the expiration of 12 months after the date of death. If the Participant suffers a “permanent disability”, his or her Options shall be exercisable until the end of their term and only by the Participant.

If the date that any vested Option expires on, or within nine Business Days immediately following, a date upon which such Participant is prohibited from exercising such Option due to a black-out period or other trading restriction imposed by the Corporation, then the expiry date of such Option shall be automatically extended to the 10th Business Day following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed.

The LTIP contains a cashless exercise ability for Options, whereby Participants can opt to exercise an Option by surrendering the Option in exchange for the issuance of Common Shares equal to the number determined by dividing the FMV on the date of exercise by the difference between that FMV and the exercise price of the Option.

Employee Share Purchase Plan

Effective September 1, 2019, the Corporation established the ESPP, as amended and restated effective May 11, 2021, to encourage long-term ownership of Common Shares. The ESPP not only enhances employee retention but also provides for a compensation package that is more in-line with the Peer Group and further promotes alignment with longer-term interests between employees and the Shareholders. The ESPP is administered by a third-party firm and allows employees to subscribe for Common Shares using their salary and hold them in a non-registered savings plan. The ESPP provides that the Corporation will match employee contributions on a 1 to 1 basis up to an employer contribution maximum of 10% of base salary; however, due to poor market conditions, this contribution maximum was reduced to 5%, effective June 1, 2020. Effective July 1, 2021, the Corporation reinstated the maximum contribution to the ESPP of 10%. Employees that contribute to the ESPP have Common Shares issued to them, as Beneficial Shareholders, and held by the administrator on the employees’ behalf. The number of Common Shares issuable to employees pursuant to the ESPP is determined by dividing the total of the employee’s and employer’s contribution for any particular pay period divided by the five day volume weighted average trading price of a Common Share on the TSX prior to that issuance date. Common Shares purchased using the employer’s contribution are subject to a one-year hold period from the contribution date. In 2022 the ESPP had a 100% employee participation rate. The Executive Officers are eligible to participate in the same ESPP as employees, provided they do not possess more than 5% Beneficial Ownership, which further promotes share ownership. Notwithstanding any other provision of the ESPP, the number of Common Shares issuable to insiders of the Corporation, at any time, under all security based compensation arrangements, including the ESPP, shall not exceed 10% of the issued and outstanding Common Shares and the number of Common Shares issued to insiders of the Corporation within any one year period also shall not exceed 10% of the issued and outstanding Common Shares unless disinterested shareholder approval is obtained. Non-employee directors are not eligible for participation in the ESPP.

Burn Rate

The annual burn rate for each security-based compensation arrangement for the three most recently completed financial years, expressed as a percentage and calculated by dividing the number of awards granted during the financial year by the weighted average number of Common Shares outstanding for the financial year, is set forth in the following table:

Financial Year Ending December 31	Burn Rate		
	PSU ⁽¹⁾	RSU	Options
2022	0.18%	0.28%	0.28%
2021	0.53%	0.74%	0.42%
2020	0.67%	0.76%	0.41%

Note:

- (1) Burn rate is based on a 1x multiplier for PSUs.

Common Shares Subject to the LTIP

Under the LTIP, the percentages of securities available to be issued from time to time pursuant to outstanding Awards shall be limited to 9% of the aggregate number of issued and outstanding Common Shares, less the number of Common Shares issuable pursuant to any other security-based compensation arrangement of the Corporation, and shall be comprised of no more than: (i) 2.25% of the aggregate number of issued and outstanding Common Shares issuable under the settlement of vested RSUs; (ii) 4.5% of the aggregate number of issued and outstanding Common Shares issuable under the settlement of vested PSUs; and (iii) 2.25% of the aggregate number of issued and outstanding Common Shares issuable under the settlement of vested Options.

Amendments and Termination

The Board may amend or suspend any provision of the LTIP, or terminate the LTIP, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary. Without limiting the generality of the foregoing, the Board may make the following types of amendments to the LTIP or any Awards without seeking security holder approval:

- (i) amendments of a “housekeeping” or administrative nature;
- (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX);
- (iii) amendments to the vesting provisions of the LTIP or any Award;
- (iv) amendments to the termination or early termination provisions of the LTIP or any Award, whether or not such Award is held by an insider, provided such amendment does not result in settlement or termination of a Award after the “final date” of the Award (as determined pursuant to the terms of the LTIP); and
- (v) amendments necessary to suspend or terminate the LTIP.

Security holder approval will be required for the following types of amendments:

- (i) any amendment to reduce the exercise price of an Option issued to an insider, in which case, disinterested security holder approval must be obtained;
- (ii) any amendment to extend the term of an Award agreement beyond the original expiry benefiting to an insider;

- (iii) any amendments permitting the introduction or reintroduction of non-employee directors on a discretionary basis or any amendment that increases limits previously imposed on non-employee director participation;
- (iv) any amendment to increase the maximum number of Common Shares issuable under the LTIP, other than pursuant to capital adjustments affecting the Common Shares;
- (v) any amendment to remove or to exceed the insider participation limits;
- (vi) any amendment to the amendment provisions;
- (vii) any amendment which would allow for the transfer or assignment of Awards or Share Units under the LTIP, other than for normal estate settlement purposes; and
- (viii) any amendment required to be approved by security holders under applicable law (including the rules, regulations and policies of the TSX).

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Summary Compensation Table

The following table sets forth the compensation earned by the Executive Officers for the years ended December 31, 2022, 2021 and 2020.

Name and Principal Position	Year	Salary (\$)	Share based awards (\$) ⁽¹⁾	Option based awards (\$) ⁽²⁾	Non-Equity incentive plan compensation (\$)		All Other Compensation (\$) ⁽⁴⁾	Total (\$)
					Annual incentive plans ⁽³⁾	Long-term incentive plans		
Paul Wanklyn <i>President and Chief Executive Officer</i>	2022	\$371,000	\$1,085,000	\$120,500	\$300,510	-	\$45,505	\$1,922,515
	2021	\$350,000	\$1,225,000	-	\$322,000	-	\$34,962	\$1,931,962
	2020	\$350,000	\$359,480	-	\$336,000	-	\$32,178	\$1,077,658
Craig Nieboer <i>Chief Financial Officer</i>	2022	\$318,000	\$572,000	\$63,500	186,030	-	\$39,206	\$1,178,736
	2021	\$300,000	\$600,000	-	\$224,250	-	\$29,580	\$1,153,830
	2020	\$300,000	\$176,000	-	\$234,000	-	\$25,565	\$735,565
Dustin Hoffman <i>Chief Operating Officer</i>	2022	\$318,000	\$630,000	\$70,000	\$214,650	-	\$39,858	\$1,272,508
	2021	\$300,000	\$600,000	-	\$224,250	-	\$30,623	\$1,154,873
	2020	\$300,000	\$176,000	-	\$234,000	-	\$27,738	\$737,738
Dan van Kessel <i>Vice President, Corporate Development</i>	2022	\$265,000	\$358,000	\$40,000	\$119,250	-	\$22,937	\$805,187
	2021	\$250,000	\$375,000	-	\$143,750	-	\$11,077	\$779,827
	2020	\$237,500	\$110,000	-	\$150,000	-	\$4,599	\$502,099

Notes:

- (1) The grant date fair market value of PSUs and RSUs is based on the five day volume-weighted average trading price of the Common Shares on the TSX (on the TSXV prior to the Corporation’s up-listing completed on December 16, 2020) prior to the date of grant. The number and fair market value of awards issued in 2022 was as follows:

Name	Total RSUs/PSUs Awarded	FMV Per Unit on Grant Date	Total Share Based Award
Paul Wanklyn	236,938	\$4.58	\$1,085,000
Craig Nieboer	124,978	\$4.58	\$572,000
Dustin Hoffman	137,476	\$4.58	\$630,000
Dan van Kessel	78,111	\$4.58	\$358,000

These amounts are not necessarily reflective of the actual amounts that may be realized upon vesting of the PSUs and RSUs. See “*Outstanding Share-Based Awards – Executive Officers*” which reflects the value at December 31, 2022.

- (2) Amounts disclosed are based on the grant date fair value of the applicable Options. The fair value of each Option granted is determined on the date of grant using the Black-Scholes option pricing model. During 2022, in the pricing model, the average risk-free interest rate used was 1.4%; the expected annual volatility was 80%; the average expected life was 3.0 years; the estimated forfeiture rate was 5.0%; and dividends were \$nil per share in determining the fair value of the Options. During 2021, in the pricing model, the average risk-free interest rate used was 0.6%; the expected annual volatility was 76%; the average expected life was 3.5 years; the estimated forfeiture rate was 5.0%; and dividends were \$nil per share in determining the fair value of the Options. During 2020, in the pricing model, the average risk-free interest rate used was 1.6%; the expected annual volatility was 58%; the average expected life was 3.6 years; the estimated forfeiture rate was 5.0%; and dividends were \$nil per share in determining the fair value of the Options. These amounts are not necessarily reflective of the actual amounts that may be realized upon exercise of the Options. See “*Outstanding Share-Based Awards – Executive Officers*” which reflects the value at December 31, 2022.
- (3) The 2022 annual incentive plan amounts were approved on May 9, 2023 and the amounts will be paid to the NEOs in 2023.
- (4) Represents the Corporation’s matching contributions under the ESPP in respect of contributions made by the NEO. Parking, cell phone, health and dental coverage, health spending and life insurance premium benefits are also provided to the NEOs. The value of these perquisites received by the NEOs, including property or other personal benefits provided to NEOs that are not generally available to all employees were not, in the aggregate, worth \$50,000 or more or 10% or more of the respective NEO’s total salary for 2022.

Outstanding Share-Based Awards – Executive Officers

The following table sets forth for each NEO all Awards outstanding at the end of the year ended December 31, 2022.

Name	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Paul Wanklyn	PSUs – 1,038,916	\$3,116,748	-
	RSUs – 361,738	\$1,085,214	-
Craig Nieboer	PSUs – 514,808	\$1,544,424	-
	RSUs – 180,099	\$540,296	-
Dustin Hoffman	PSUs – 523,140	\$1,569,420	-
	RSUs – 184,265	\$552,794	-
Dan van Kessel	PSUs – 321,755	\$965,265	-
	RSUs – 112,561	\$337,682	-

Notes:

- (1) The value of the PSUs and RSUs was calculated by multiplying the number of PSUs and RSUs that have not vested by \$3.00, being the closing price of the Common Shares on the TSX on December 31, 2022. For PSUs, a performance multiplier of 1.0 was assumed.

Option-based awards were granted to NEOs for the first time in 2022. The following table sets forth for each NEO all option-based awards outstanding at the end of the year ended December 31, 2022.

Option-based Awards				
Name	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Paul Wanklyn (2022 grant)	51,337	4.58	January 21, 2027	-
Craig Nieboer (2022 grant)	27,079	4.58	January 21, 2027	-
Dustin Hoffman (2022 grant)	29,786	4.58	January 21, 2027	-
Dan van Kessel (2022 grant)	16,924	4.58	January 21, 2027	-

Notes:

- (1) Calculated based on the difference between the market price of the Common Shares underlying the Options at December 31, 2022, being \$3.00, and the exercise price of the Options.

Incentive Plan Disclosure - Value Vested/Earned During the Year

The following table sets forth for each NEO the value of share-based awards which vested during the year ended December 31, 2022.

Name	Option-based awards – Value vested during the year (\$)⁽¹⁾	Share-based awards – Value vested during the year (\$)⁽²⁾⁽³⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Paul Wanklyn	-	\$1,251,810 (PSUs – 169,853 units converted with a multiplier of 1.40x at a value of \$5.25)	-
	-	\$1,119,354 (RSUs – 233,624 units at a weighted average value of \$4.79)	-
Craig Nieboer	-	\$1,326,592 (PSUs – 180,000 units converted with a multiplier of 1.40x at a value of \$5.25)	-
	-	\$676,692 (RSUs – 135,887 units at a weighted average value of \$4.98)	-
Dustin Hoffman	-	\$1,326,592 (PSUs – 180,000 units converted with a multiplier of 1.40x at a value of \$5.25)	-
	-	\$647,000 (RSUs – 135,887 units at a weighted average value of \$4.76)	-
Dan van Kessel	-	\$390,173 (PSUs – 52,941 units converted with a multiplier of 1.40x at a value of \$5.25)	-
	-	\$343,468 (RSUs – 71,695 units at a weighted average value of \$4.79)	-

Notes:

- (1) Options were granted to the NEOs on January 21, 2022, therefore no option-based awards vested during 2022.
- (2) The value of the PSU share-based awards that vested during 2022 was calculated by multiplying the number of PSUs that vested by their fair market value on the date and time of vesting (based on the five day volume-weighted average trading price of the Common Shares on the TSX) adjusted for the applicable performance multiplier as determined by the Board. To mitigate Common Share dilution, all PSUs that vested in 2022 were settled in cash for their equivalent value.
- (3) The value of the RSU share-based awards that vested during 2022 was calculated by multiplying the number of RSUs that vested by the trading price of the Common Shares on the TSX on the date and time of vesting.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information as at December 31, 2022 relating to the LTIP and the ESPP, the only equity compensation plans maintained by Pipestone Energy pursuant to which equity securities are authorized for issuance.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding PSUs, RSUs and Options⁽²⁾ (a)	Weighted-average exercise price of outstanding Options (b)	Number of Common Shares remaining available for future issuance under the LTIP and ESPP (excluding Common Shares reflected in column (a)) (c)
Equity compensation plans approved by securityholders ⁽¹⁾	5,961,808	\$2.53	19,143,581
Equity compensation plans not approved by securityholders	-	-	-
Total	5,961,808	\$2.53	19,143,581

Notes:

- (1) The LTIP and ESPP currently reserve for issuance a maximum of 9.0% of Pipestone Energy's issued and outstanding Common Shares at any given time (allocated 8.0% to the LTIP and 1.0% to the ESPP).
- (2) Assumes a 1x multiplier for PSUs.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Pipestone Energy has entered into employment agreements with each of the Executive Officers. Pursuant to such employment agreements, each individual is entitled to: (i) an annual base salary and benefits; (ii) discretionary bonuses as determined by the Board; (iii) Options; (iv) PSUs; and (v) RSUs. Under each agreement, Pipestone Energy agrees to compensate each Executive Officer in the event of the termination of employment: (i) without cause, and (ii) if the executive is terminated, or the executive terminates his own employment within six months of a change of control for good reason. A "change in control" means: (i) an acquisition of more than 51% of the outstanding Common Shares (including securities convertible into Common Shares); (ii) an amalgamation, arrangement, merger or other consolidation or combination of the Corporation with another entity pursuant to which the Shareholders immediately thereafter do not own securities of the successor or continuing entity which would entitle them to cast more than 50% of the votes attaching to all of the Common Shares; or (iii) the sale of substantially all of Pipestone Energy's assets to another company. "Cause" means any reason which would entitle the Corporation to terminate the executive's employment without notice or payment in lieu of notice at common law. "Good reason" means any of the following without the executive's consent: (i) a decrease in the executive's base salary; (ii) a material decrease in the executive's position; (iii) a relocation of the executive's primary place of employment to a location more than 50 kilometers from Calgary, Alberta; or (iv) any circumstance(s) that would constitute a constructive dismissal of the executive's employment at common law.

Assuming that the triggering event occurred on December 31, 2022 for the scenarios outlined in the paragraph above:

- Mr. Wanklyn would be entitled to receive \$1,392,207, being an amount equal to the sum of: (A) 24 months of base salary; plus (B) an amount equal to two times the average annual bonus that Mr. Wanklyn has received pursuant to the short-term incentive plan of the Corporation in the prior three years.
- Mr. Nieboer would be entitled to receive \$536,660 and Mr. Hoffman would be entitled to receive \$546,200; in each case being an amount equal to the sum of: (A) 12 months of base salary; plus (B) an amount equal to the average annual bonus that the executive received pursuant to the short-term incentive plan of the Corporation in the prior three years.

- Mr. van Kessel would be entitled to receive \$405,167, being an amount equal to the sum of: (A) 12 months of base salary; plus (B) an amount equal to the average annual bonus that the executive received pursuant to the short-term incentive plan of the Corporation in the prior three years.
- For each Executive Officer, unless otherwise determined by the Board prior to the change of control, immediate vesting of all the executive's Awards granted under the LTIP.

Each of the employment agreements provide that the executive shall not during the term of his employment and thereafter disclose confidential information regarding the Corporation or solicit any officer, employee, contractor, consultant, agent or customer of the Corporation.

DIRECTOR COMPENSATION

2022 Director Compensation Program

Pipestone Energy pays director compensation to attract and retain directors of the quality and with the skills required to supervise the management of the business and affairs of Pipestone Energy, taking into account the complexity of its operations and business. In 2022, the Corporation continued to utilize Mercer to assist with the maintenance of a director compensation program comparable to the Peer Group. Director compensation is set by the Board on the recommendation of the C&G Committee and with the advice of Mercer. The C&G Committee targets director compensation within a competitive range of the median of the Peer Group used for director compensation.

<u>Director Annual Retainers – 2022</u>	
<u>Compensation Component</u>	<u>Amount</u>
Director annual cash retainer	\$40,000
Director annual equity retainer (RSUs)	\$70,000
Board Chair Retainers	
Board Chair annual cash retainer	\$75,000
Board Chair annual equity retainer (RSUs)	\$75,000
Committee Chair Retainers (cash)	
Audit Committee	\$30,000
C&G Committee	\$20,000
Reserves & HSE Committee	\$20,000

No meeting fees are paid to directors beyond the amounts set out above. Additional RSUs may be granted from time to time in recognition of services rendered by directors on an ad hoc basis in addition to their annual duties.

2022 Director Compensation Table

The following table sets forth all amounts of compensation paid to directors for the year ended December 31, 2022 (other than Paul Wanklyn who received no compensation in his capacity as a director).

Name	Fees earned (\$)	Share-based awards(\$)⁽¹⁾	Total (\$)
Gordon M. Ritchie <i>Board Chair</i>	\$115,000	\$120,000	\$235,000
Garth Braun	\$40,000	\$115,000	\$155,000
William Lancaster <i>C&G Committee Chair</i>	\$60,000	\$90,000	\$150,000
John Rossall <i>Reserves & HSE Committee Chair</i>	\$60,000	\$115,000	\$175,000
Robert Tichio ⁽²⁾	\$110,000	-	\$110,000
Jesal Shah ⁽²⁾	\$110,000	-	\$110,000
Kimberly Anderson <i>Audit Committee Chair</i>	\$70,000	\$115,000	\$185,000

Notes:

- (1) The grant date fair market value of RSUs is based on the five day volume-weighted average trading price of the Common Shares on the TSX prior to the date of grant. The number and fair market value of RSUs issued in 2022 was as follows:

Name	Total RSUs Awarded	FMV Per Unit on Grant Date	Total Share Based Award
	16,376	\$4.58	\$75,000
Gordon M. Ritchie	14,386	\$3.13	<u>\$45,000</u>
			\$120,000
	15,284	\$4.58	\$70,000
Garth Braun	14,386	\$3.13	<u>\$45,000</u>
			\$115,000
	15,284	\$4.58	\$70,000
William Lancaster	6,394	\$3.13	<u>\$20,000</u>
			\$90,000
	15,284	\$4.58	\$70,000
John Rossall	14,386	\$3.13	<u>\$45,000</u>
			\$115,000
	15,284	\$4.58	\$70,000
Kimberly Anderson	14,386	\$3.13	<u>\$45,000</u>
			\$115,000

- (2) With respect to Mr. Tichio and Shah, who were nominees of Riverstone in 2022, the Corporation paid directly to Riverstone: (i) all cash compensation; and (ii) an amount in cash equal to the then fair market value (as determined by

the Board) of all share incentive compensation received by each independent member of the Board, at the time such cash compensation or share incentive compensation is paid to independent Board members.

Outstanding Share-Based Awards – Directors

The following table sets forth for each director (other than Mr. Wanklyn) all RSU Awards outstanding at the end of the year ended December 31, 2022.

Name	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Gordon M. Ritchie	RSUs – 118,262	\$354,787	-
Garth Braun	RSUs – 111,892	\$335,677	-
William Lancaster	RSUs – 95,567	\$286,702	-
John Rossall	RSUs – 111,892	\$335,677	-
Kimberly Anderson	RSUs – 35,347	\$106,041	-

Note:

(1) The value of the RSUs was calculated by multiplying the number of RSUs that have not vested by \$3.00, being the closing price of the Common Shares on the TSX on December 31, 2022.

Incentive Plan Disclosure - Value Vested/Earned During the Year

The following table sets forth for each non-employee director the value of share-based awards which vested during the year ended December 31, 2022.

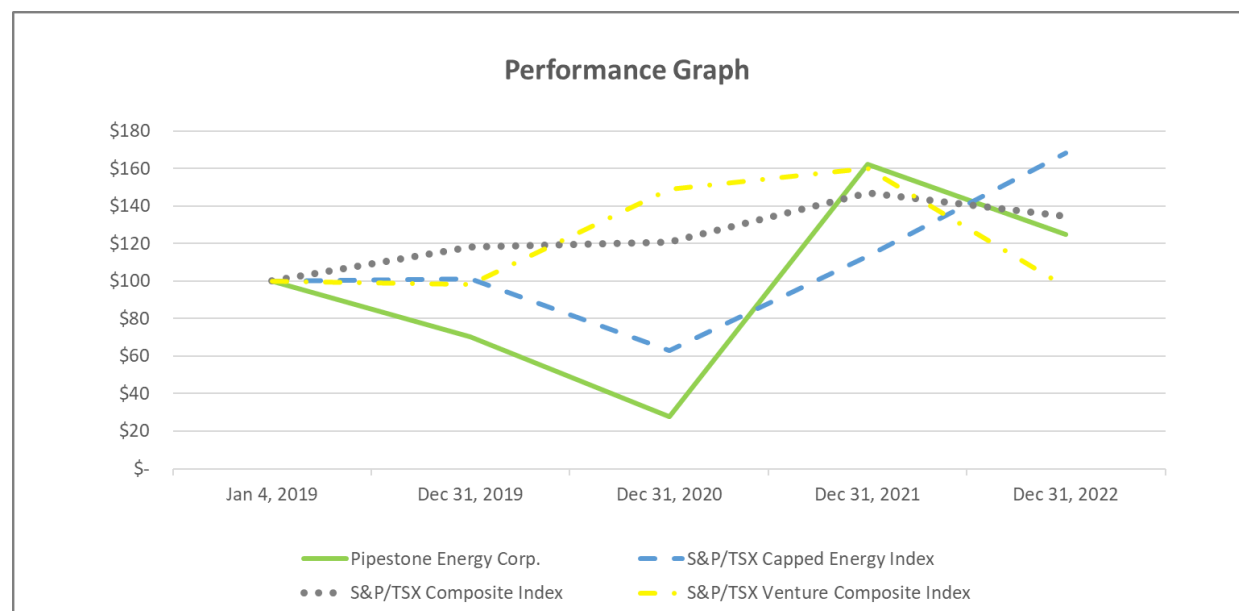
Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Gordon M. Ritchie	-	\$325,736 (RSUs – 70,139 units at a weighted average value of \$4.64)	-
Garth Braun	-	\$306,579 (RSUs – 66,019 units at a weighted average value of \$4.64)	-
William Lancaster	-	\$271,725 (RSUs – 57,685 units at a weighted average value of \$4.71)	-
John Rossall	-	\$306,579 (RSUs – 66,019 units at a weighted average value of \$4.64)	-
Kimberly Anderson	-	\$9,567 (RSUs – 2,839 units at a weighted average value of \$3.37)	-

Note:

(1) The value of the share-based awards that vested during the year was calculated by multiplying the number of RSUs that vested by the trading price of the Common Shares on the TSX on the date and time of vesting.

PERFORMANCE GRAPH

The following graph and table compare the yearly percentage change (converted into a fixed investment) in the cumulative Shareholder return on the Common Shares (assuming a \$100 investment was made on January 4, 2019, and assuming the reinvestment of dividends) with the cumulative total return of the S&P/TSX Capped Energy Index, S&P/TSX Composite Index and the S&P/TSX Venture Composite Index for the comparable period for the period which commenced on January 4, 2019 and ended on December 31, 2022.



Note:

- (1) The Common Shares currently trade on the TSX under the symbol "PIPE". Prior to December 16, 2020, Pipestone Energy's Common Shares traded on the TSXV under the same symbol. The closing price for the Common Shares on December 31, 2022, 2021, 2020 and 2019 was \$3.00, \$3.89, \$0.67 and \$1.69, respectively.

	Jan 4, 2019	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022
Pipestone Energy Corp.	\$100	\$70	\$28	\$162	\$125
S&P/TSX Capped Energy Index	\$100	\$101	\$63	\$113	\$168
S&P/TSX Composite Index	\$100	\$118	\$121	\$147	\$134
S&P/TSX Venture Composite Index	\$100	\$98	\$149	\$160	\$97

Pipestone Energy's cumulative shareholder return performance reflects both operational and financial performance within our control as well as the volatile commodity prices and economic and market conditions beyond our control. In 2022 and 2021, the Corporation continued to successfully execute on its business plan while world oil prices recovered from the extreme weakness experienced in 2020 due to the negative impact of the COVID-19 pandemic on the global economy.

Salaries and variable pay for our NEOs are based on the Peer Group and the Board's assessment of annual corporate and individual performance based on financial and operating performance metrics and other pertinent considerations. Our long-term incentive plans are designed to align the interests of employees, including NEOs, with Shareholders by linking a component of compensation to our Common Share performance.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at May 8, 2023, no director, executive officer, employee or former director, executive officer or employee of Pipestone Energy or its subsidiary or any associate of any such person, is now, or has been in the recently completed financial year, indebted to Pipestone Energy, or any other entity in respect of any guarantee, support agreement, letter of credit or other similar arrangement provided by Pipestone Energy.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, direct or indirect, of any director or nominee for director, or executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting except as otherwise disclosed herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the directors and officers of the Corporation, there are no material interests, direct or indirect, of directors or executive officers of the Corporation or any Shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding voting securities of the Corporation or any known associate or affiliate of such persons, in any transaction since the commencement of Pipestone Energy's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Pipestone Energy.

As at May 8, 2023, the directors and officers of the Corporation and their associates or affiliates, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 20,170,684 Common Shares, representing approximately 7.2% of the outstanding voting securities of the Corporation.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board and the structures, traditions and processes of leadership and stewardship that assign power and define roles and responsibilities governing communications with the Shareholders and ensure accountability.

The Board is committed to high standards of corporate governance and believes that sustainable value creation for all Shareholders is fostered through a board that is informed and engaged and that functions independently of management. The Board recognizes that effective corporate governance is critical to the continued and long-term success of Pipestone Energy. Following the Amalgamation and the constitution of the Board, Pipestone Energy developed its corporate governance framework and will continue to update and modify its governance practices from time to time. The Board and management are of the view that Pipestone Energy's general approach to corporate governance is appropriate and entirely consistent with the objectives required by applicable law, in particular, NI 58-101 and NP 58-201. Information in respect of Pipestone Energy's corporate governance practices is set out in Schedule "A" to this Information Circular.

The governance policies and practices of Pipestone Energy have been developed under the guidance of the C&G Committee of the Board. The C&G Committee periodically reviews the governance policies and practices of Pipestone Energy to ensure that Pipestone Energy complies with all applicable legal requirements.

Board of Directors

Structure and Composition

Pipestone Energy has proposed a Board composed of eight directors, a size that Pipestone Energy believes is commensurate with the complexity of Pipestone Energy's business. NP 58-201 suggests that the Board of Directors should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director that has no material relationship, direct or indirect, with the issuer, which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.

Seven of the eight directors nominated for election at the Meeting, being Messrs. Gordon M. Ritchie, Garth Braun, William Lancaster, John Rossall, Robert Tichio and Jesal Shah and Ms. Anderson are considered to be “independent” within the meaning of NI 58-101. Mr. Paul Wanklyn is not considered to be “independent” by virtue of his position as President and Chief Executive Officer of Pipestone Energy.

To ensure the independence of the Board in the discharge of its responsibilities, the Audit Committee, the Reserves & HSE Committee and the C&G Committee are all comprised entirely of independent directors.

Position Descriptions

The Board has developed written position descriptions for the Board Chair, the Chair of each committee of the Board and the individual directors. The Board, with the input of the CEO, has also developed a written position description for the CEO.

Board Chair Position Description

The Chair of the Board (the “**Board Chair**”) is the presiding Board member. The Board Chair is responsible for promoting the functioning of the Board effectively, efficiently and harmoniously and for promoting excellent relationships between the Board, management, shareholders and other stakeholders.

The Board Chair's primary responsibility is to manage the Board and meetings of the Board.

The Board Chair is additionally responsible for ensuring that the Board consists of highly qualified and competent members and that it is cohesive and effective.

In carrying out his or her duties and responsibilities, the Board Chair shall, among other things:

- act as the communication link between the Board and the CEO and promote effective communication between the directors, Shareholders and other stakeholders and the CEO;
- encourage the CEO to communicate directly with the Board and to meet individually with directors;
- review formal communication before dissemination to all directors;
- in conjunction with the C&G Committee, lead the Board in monitoring and evaluating the performance of the CEO, in ensuring the accountability of the CEO and in ensuring implementation of the succession and development plans for the CEO;
- coordinate with the CEO to ensure that management strategy, plans and performance are appropriately presented to the Board, Shareholders and other stakeholders as appropriate;
- ensure that all matters requiring Board approval are brought to the Board in a timely and appropriate manner; and
- work with the Board and the Corporate Secretary to ensure that approval levels are appropriate;
- ensure that the Board has full oversight of the Corporation’s business and affairs, and that the Board is aware of its obligations to the Corporation, Shareholders, management and other stakeholders and under the law;
- provide leadership of the Board, and arrange for it to review and monitor the aims, strategy, policy and directions of the Corporation and the achievement of its objectives;

- communicate with the Board to keep it up-to-date on major developments in order to avoid surprises through timely discussion of potential developments and have the Board provided with sufficient knowledge to permit it to make major decisions in a considered manner based on full information;
- in conjunction with the Corporate Secretary, set the frequency of the Board meetings and review such frequency from time to time as considered appropriate or as requested by the Board;
- coordinate the agenda, information packages and related events for Board meetings with the Corporate Secretary and the CEO;
- chair all Board meetings;
- facilitate a candid and full discussion of all key matters that come before the Board;
- work with the C&G Committee to direct the search for and selection of new directors;
- ensure that new directors receive a full orientation on the Corporation and its business;
- maintain a liaison and communication with all directors and committee chairs to coordinate input from directors and optimize effectiveness of the Board and its committees;
- in conjunction with the C&G Committee, recommend the committees of the Board and their composition, review the need for, and the performance and suitability of, those committees and the various member's participation thereon and make such adjustments as are deemed necessary from time to time;
- review any change in the circumstances of individual directors and determine whether a director's other commitments conflict with his or her duties as a director of the Corporation;
- attend committee meetings where appropriate or otherwise at the request of the committee chair;
- review and approve the minutes of Board meetings;
- coordinate the frequency, agenda and information packages for all committee meetings in conjunction with the committee chairs;
- ensure that Board and committee meetings are conducted in an efficient, effective and focused manner;
- call special meetings of the Board, where appropriate, and hold regular in camera sessions at Board meetings;
- review and assess annually director attendance, performance and compensation and the size and composition of the Board and management's performance in interacting with the Board and its committees, all in conjunction with the C&G Committee and the other relevant committees of the Board;
- chair all meetings of Shareholders;
- review and approve the minutes of Shareholder meetings; and
- in consultation with the CEO, ensure the Corporation's management and, where applicable, the Board are appropriately represented at official functions and meetings with major shareholder groups, other stakeholder groups (including suppliers, customers, employees, governments, regulators and local communities), financial analysts, financial press, and debt and equity providers.

Committee Chair Position Description

Each Committee Chair has a unique position description which includes being the liaison with the committee's principal independent advisor, being the

- independent auditor of the Corporation, with regard to the Audit Committee;
- independent reserves evaluator for the Corporation, with regard to the Reserves & HSE Committee; and
- independent compensation consultant for the Corporation, with regard to the C&G Committee.

In addition, each Committee Chair will provide leadership to the committee in discharging its mandate, including by:

- promoting a thorough understanding by members of the committee and management of the duties and responsibilities of the committee and the relationship between the committee and management of the Corporation; and
- promoting cohesiveness among members of the committee.

The Committee Chair shall be the liaison between the committee and each of the Corporation's management. The Committee Chair shall promote open and constructive discussions between members of the committee and keep the committee and management informed of key issues and trends relating to the committee's key areas of responsibility.

The Committee Chair shall promote the proper flow of information to the committee to keep the committee fully apprised of all matters which are material to the Corporation within the committee's area of responsibility at all times and ensure the necessary information sharing with other committees of the Board.

In connection with meetings of the committee, the Committee Chair shall be responsible for:

- scheduling meetings of the committee;
- organizing and presenting the agenda for committee meetings such that:
 - all of the responsibilities assigned to the committee under its mandate are discharged on a timely and diligent basis; and
 - members of the committee have input into the agendas;
- monitoring the adequacy of materials provided to the committee by management in connection with the committee's deliberations;
- ensuring that the committee has sufficient time to review the materials provided to it and to fully discuss the business that comes before the committee;
- assisting the committee and the Board in determining the size and composition of the committee for approval by the Board;
- presiding over meetings of the committee;
- presiding over *in camera* meetings of the committee; and
- reviewing and approving the minutes of committee meetings for which he or she has acted as the chair.

The Committee Chair shall report periodically to the Board on the activities of the committee as contemplated in its mandate.

Director Position Description

Each member of the Board of Pipestone Energy is responsible, with the other directors, for overseeing the management of the business and affairs of the Corporation and assisting the Board in fulfilling its mandate.

Every director is expected to have the following personal attributes:

- significant experience and expertise in business or that is applicable to the Corporation's business;
- previously served in a senior executive or leadership position;
- broad exposure to and understanding of the Canadian or international oil and gas industries;
- skills for directing the management of a Corporation;
- motivation and ability to engage effectively in Board and committee work;
- high ethical standards and integrity in personal, business and professional dealings;
- understanding of the role, responsibilities, expectations and legal duties of a director;
- ability to act independently of management (for directors who are not members of management);
- financial literacy;
- strong listening, communication and advocacy skills;
- ability to manage conflict constructively and work effectively with others; and
- ability to apply good sense and sound judgement.

In fulfilling his or her responsibilities, each director will:

- perform those duties set out in the Board mandate, the mandates of committees of the Board on which he or she serves, and any position description applicable to the director as well as such other duties as the Board may determine;
- understand and contribute to fulfilling the Corporation's mission and vision, strategies and objectives;
- comply with the corporate governance guidelines of the Corporation;
- act independently of management (for directors who are not members of management);
- be accountable for Board decisions, to stakeholders as a whole, and not to any specific Shareholder(s) or other stakeholder(s);
- act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- act in the highest ethical manner and with integrity in all personal, business and professional dealings and comply with the Code of Conduct;

- avoid actual or potential conflicts of interest and the reasonable perception of a potential conflict of interest and immediately disclose details of any potential conflicting interests should they arise to the Board Chair in accordance with the corporate governance guidelines;
- comply with laws, rules and stock exchange requirements applicable to the Board and the Corporation;
- maintain in strict confidence and not disclose to third parties: (a) confidential corporate information (unless prior Board approval has been obtained); or (b) Board deliberations;
- ensure he or she has sufficient time to devote to his or her responsibilities as director;
- prepare for each Board and committee meeting by reviewing the materials provided and request, as appropriate, clarification or additional information in order to fully participate in Board deliberations;
- apply his or her knowledge, skills, experience and business judgement to matters considered by the Board;
- actively participate in deliberations and decisions of the Board and of those committees on which the director serves, probe and, as appropriate, challenge management and vote on all matters requiring a decision by the Board or the committee except where a conflict of interest may exist;
- attend Board and committee meetings and shareholder meetings, in person as often as practicably possible, and inform himself or herself of significant matters dealt with at meetings not attended;
- act as a resource to management and the Board outside of Board and committee meetings;
- work constructively and effectively with other directors and officers, employees and advisors of the Corporation; and
- continuously advance his or her knowledge about the Corporation's business and operations, the communities in which it operates and emerging trends and issues and significant strategic initiatives.

Board Committees

The standing committees of the Board are an integral part of the governance structure of Pipestone Energy as they help to facilitate effective board decision-making by providing recommendations on matters within their respective responsibilities. The Board has three standing committees: the Audit Committee, the Reserves & HSE Committee and the C&G Committee.

Members of Pipestone Energy's management team are regularly invited to participate in meetings of the Board committees in order to provide management insight and information for committee deliberations. As a matter of practice, the committees conduct a portion of their meetings without management representation to facilitate their functioning independently of management.

Committee Composition

The C&G Committee, the Audit Committee and the Reserves & HSE Committee consist of a minimum of three directors. There is a requirement that all Audit Committee members be independent, and that a majority of the C&G Committee and the Reserves & HSE Committee be independent. The Board designates one member of each committee as its chair.

Each member of the Audit Committee is required to be "financially literate" as that term is defined in National Instrument 52-110 – *Audit Committees*. An individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

Committee Meetings Membership

Meetings of each committee are held throughout the year as required, and the Audit Committee meets in conjunction with the review and approval of news releases, annual and quarterly financial statements, management discussion and analysis and reports to Shareholders, and audit arrangements.

A summary of the activities and responsibilities of each of the committees is set out below.

Audit Committee

The Audit Committee has been established to assist the Board in carrying out its oversight responsibility for Pipestone Energy's internal controls, financial reporting and risk management processes. The Audit Committee is provided with the resources necessary to carry out its responsibilities. The Audit Committee and the external auditors meet at least quarterly without the presence of Pipestone Energy management to review areas of material disagreement, if any, between Pipestone Energy management and the external auditors or other issues of concern, including assessing annually the cooperation received by the auditors in the conduct of their audit and their access to all requested records, data and information. As necessary or desirable, any member of the Audit Committee may also request that the external auditors be present at any other meetings of the Audit Committee. The following are some of the responsibilities of the Audit Committee:

- Considering the integrity of Pipestone Energy's accounting and financial reporting process and internal controls.
- Considering the qualifications, independence and performance of Pipestone Energy's external auditors.
- Considering the external audit process and results.
- Discussing with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and effect of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting.

- Reviewing with management and with the external auditors significant financial reporting issues, if any, arising during the most recent fiscal and interim period and the resolution or proposed resolution of such issues.
- Before release, reviewing and if appropriate, recommending for approval by the Board, all public disclosure documents containing audited or unaudited financial information.
- Pre-approving all non-audit services to be provided to Pipestone Energy by its external auditors.

On December 31, 2022, the Audit Committee was comprised of Ms. Kimberly Anderson (Chair), Messrs. William Lancaster, Gordon M. Ritchie and Garth Braun. Each of the members of the Audit Committee is independent and financially literate.

A description of certain matters relating to the Audit Committee is set forth under the heading “*Audit Committee Information*” in the AIF, a copy of which is available on the SEDAR website at www.sedar.com.

Reserves & HSE Committee

The Reserves & HSE Committee has been established to assist the Board in carrying out its oversight responsibility for Pipestone Energy’s reporting of its crude oil, natural gas and natural gas liquids reserves. The Reserves & HSE Committee is provided with the resources necessary to carry out its responsibilities. The Reserves & HSE Committee meets (formally as a meeting or informally for discussion) at least two times per year. As necessary or desirable, any member of the Reserves & HSE Committee may request that the independent reserves evaluator be present at any meetings of the Reserves & HSE Committee. On May 8, 2023, the Reserves & HSE Committee was comprised of Messrs. John Rossall (Chair), William Lancaster and Jesal Shah. The following are some of the responsibilities of the Reserves & HSE Committee:

- Reviewing the procedures for providing information to the qualified reserves evaluators to enable them to provide a report that will comply with applicable securities legislation and considering the adequacy of such procedures.
- After consultation with Pipestone Energy’s senior reserves personnel, recommending the appointment of independent and qualified reserves evaluators, as may be applicable, to report to the Board in respect of the evaluation and review of Pipestone Energy’s oil and gas reserves, reserves data and related information and their related compensation.
- In consultation with Pipestone Energy’s senior reserves personnel, determining the scope of the annual evaluation of the reserves by qualified reserves evaluators having regard to applicable securities legislation and industry practice.
- In consultation with Pipestone Energy’s senior reserves personnel and the qualified reserves evaluators, determining whether any restrictions affect the ability of the qualified reserves evaluators to report on reserves data and review the reserves data without reservation.
- Reporting to the Board on Pipestone Energy’s oil and gas reserves and reviewing and making recommendations for the approval by the Board of the content and filing of the report from the qualified reserves evaluators on Pipestone Energy’s oil and gas reserves data required to be filed under applicable securities legislation.
- Communicating with the Chief Operating Officer of the Corporation and providing guidance regarding HSE and ESG matters and overseeing the development of HSE and ESG protocols to ensure the safety and security of the Corporation’s employees, respect and minimize the impact of the Corporation’s operations on the environment, develop and strengthen Pipestone Energy’s relationship with local communities and demonstrate leadership and strong governance regarding the foregoing.

Environmental, Social & Governance Commitment

Pipestone Energy is committed to upholding standards for environmental excellence, responsible extraction techniques, stringent regulatory protocols and innovative approaches aimed at reducing greenhouse gas emissions while being a positive contributor to a cleaner global energy future. We are committed to ensure the health, safety and security of our employees, contractors and the people in local communities and are proud of Pipestone Energy's safety performance. Safeguarding the environment and the integrity of our infrastructure are inherent in our day-to-day operations. Management continually reviews actual performance in these areas relative to corporate objectives, regulatory requirements and industry peers. Pipestone Energy believes in the principles of strong corporate governance, trust and integrity and the commitment to ensure a strong alignment between the Board, management and shareholders. Pipestone Energy's Reserves & HSE Committee has oversight of the Corporation's ongoing ESG and sustainability performance. On a quarterly basis, management reports to the Board regarding Pipestone Energy's HSE performance and collaborates with our Board on areas for continuous improvement. To further promote a culture focused on corporate responsibility, the compensation of our employees and executives is tied to core financial and operational performance measures that include but are not limited to social, health, safety, and environmental performance. In the interests of providing our stakeholders with more specific detail on Pipestone Energy's approach to ESG, including benchmarking our performance against established frameworks such as the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD), Pipestone Energy produces annual ESG/Sustainability reports for stakeholders which are published on the Corporation's website.

Corporate Governance & Compensation Committee

The primary duties and responsibilities of the C&G Committee are to review and make recommendations to the Board in respect of:

- All matters relating to corporate governance, including the stewardship role of the Board in respect of the management of the Corporation.
- Board size and composition, including the candidate selection process and the orientation of new members.
- Such procedures as may be necessary to allow the Board to function independently of management.
- Appointing and compensating officers and approving succession plans for officers.
- Approving and reporting to the Board respecting the Corporation's human resources policies for officers.
- Considering the administration of the Corporation's compensation and benefits plans.

In carrying out its duties and responsibilities, the C&G Committee:

- Assists in the development, monitoring and assessment of Pipestone Energy's overall approach to corporate governance issues, and, subject to the approval of the Board, oversees, in conjunction with and assistance from management, the implementation and administration of a system of corporate governance in accordance with applicable securities legislation and stock exchange rules.
- Periodically reviews and assists in the establishment of corporate goals and objectives relevant to the compensation package of the CEO.
- Considers periodically the terms of the LTIP and the ESPP and all other benefit, incentive and other compensation plans of Pipestone Energy, including any amendments to such plans, and in consultation with management, recommends to the Board the establishment, review and approval of amendments from time to time, to such plans.
- Periodically reviews and makes a recommendation to the Board regarding the adequacy and form of the compensation of its members.

The C&G Committee is currently comprised of Messrs. William Lancaster (Chair), Gordon M. Ritchie, Garth Braun, John Rossall and Robert Tichio, each of whom is independent

Meetings of the Board and the Committees

The Board meets in person at least four times annually. The Board holds additional unscheduled meetings from time-to-time as business needs require. The Board held 11 meetings in 2022.

Regular meetings of the committees are held throughout the year as required and the Audit Committee meets at least quarterly per year in conjunction with the review and approval of annual and quarterly financial statements, management discussion and analysis and reports to Shareholders.

Each committee can hold unscheduled additional meetings from time to time as business needs require or as may be requested by a member of the Board. The Audit Committee held 5 meetings in 2022. The Reserves & HSE Committee held 3 meetings in 2022. The C&G Committee held 5 meetings in 2022.

For a summary of the attendance of each of the directors for the year ended December 31, 2022 for meetings of the Board and committees of which each was a member refer to Schedule "A" to this Information Circular.

Code of Business Conduct

Pipestone Energy has adopted the Code of Conduct, which applies to all employees, contractors, consultants and agents. The Code deals with the business conduct of the Corporation, particularly with respect to transactions in securities of the Corporation, potential conflicts of interest, the taking of corporate opportunities for personal benefit and competing with the Corporation. A copy of the Code may be obtained from the CFO of Pipestone Energy at Suite 3700, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5 or by facsimile at (587) 392-8421. The Code of Conduct can also be accessed on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

Additional information relating to Pipestone Energy is available on the SEDAR website, which can be accessed at www.sedar.com. Information contained in or otherwise accessible through the Corporation's website at www.pipestonecorp.com does not form a part of this Information Circular by reference. Financial information of Pipestone Energy is provided in the comparative financial statements and management discussion and analysis of Pipestone Energy for the most recently completed financial year. Copies of the financial statements and management discussion and analysis of Pipestone Energy may be obtained from the CFO of Pipestone Energy at Suite 3700, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5 or by facsimile at (587) 392-8421.

The governance practices of Pipestone Energy in relation to the disclosure requirements of NI 58-101, taking into account the particular structure of Pipestone Energy, are set out below:

**Governance Disclosure Guideline under
NI 58-101**

Governance Procedures at Pipestone

Board of Directors

Disclose the identity of directors who are independent.

The Board has determined that the following director nominees are "independent" within the meaning of NI 58-101:

Gordon M. Ritchie, Garth Braun, William Lancaster, John Rossall, Robert Tichio, Jesal Shah and Kimberly Anderson are independent.

Disclose the identity of directors who are not independent, and describe the basis for that determination.

Mr. Paul Wanklyn is not considered to be "independent" by virtue of his position as President and Chief Executive Officer of Pipestone Energy.

Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors does to facilitate its exercise of independent judgment in carrying out its responsibilities.

The Board has determined that a majority comprised of seven of eight of the proposed directors are "independent" within the meaning of NI 58-101.

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

The following directors currently serving on the board of other issuers that are reporting issuers (or equivalent) are set out below:

Director	Directorships
Gordon M. Ritchie	Obsidian Energy Ltd. (TSX)
William Lancaster	Coelacanth Energy Inc. (TSXV)
John Rossall	Peyto Exploration & Development Corp. (TSX)
Robert Tichio	Permian Resources Corp. (NYSE) Tritium DCFC Ltd. (Nasdaq) Hammerhead Energy Inc. (TSX)
Jesal Shah	Hammerhead Energy Inc. (TSX)

There are currently no board interlocks among the director nominees. When considering new candidates and approving requests to join additional boards, the Board will consider interlocks and material relationships which may affect independence.

**Governance Disclosure Guideline under
NI 58-101**

Disclose whether or not the independent directors hold regularly scheduled meetings at which members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.

Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is independent, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.

Governance Procedures at Pipestone

In camera sessions of the directors are held in conjunction with every regular meeting of the Board. The independent members of the Board have an opportunity to meet, in conjunction with every regular meeting of the Board, without management present.

The independent members of the Board are authorized to retain independent financial, legal and other experts as required whenever, in their opinion, matters come before the Board which require an independent analysis by the independent members of the Board.

Gordon M. Ritchie is “independent” within the meaning of NI 58-10. For a summary of the responsibilities of the Board Chair generally, please see “*Statement of Corporate Governance Practices – Board of Directors – Position Descriptions – Board Chair Position Description*.”

Disclose the attendance record of each director for all board meetings held since the beginning of the issuer’s most recently completed financial year.

Summary of Attendance of Directors for the Year Ended December 31, 2022

Director	Board of Directors (11 Meetings)	Audit Committee (5 Meetings)	Reserves & HSE Committee (3 Meetings)	C&G Committee (5 Meetings)
Gordon M. Ritchie	11	5	-	5
Garth Braun	11	5	-	5
William Lancaster	11	5	3	5
John Rossall	11	-	3	5
Robert Tichio	11	-	-	5
Jesal Shah	11	-	3	-
Kimberly Anderson	11	5	-	-
Paul Wanklyn	11	-	-	-

Note:

All directors are invited to attend committee meetings, with many attending as guests during 2022. The CEO also attended all committee meetings during 2022.

Mandate of the Board of Directors

Disclose the text of the board’s written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

The Board is responsible for the stewardship and oversight of the business and affairs of the Corporation.

The responsibilities and obligations of the Board are set forth in a written mandate of the Board, a copy of which is attached hereto as Schedule “B”. The Board annually reviews its mandate and considers and effects changes as appropriate.

Position Descriptions

Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.

The Board has written position descriptions for the Chair of each of the Audit Committee, Reserves & HSE Committee and the C&G Committee. The primary role of the chair of each committee is managing the affairs of the committee, including ensuring that the committee is organized properly, functions effectively and meets its obligations and responsibilities.

The Chair of the Audit Committee also maintains on-going communications with the Corporation's external auditors in order to lead the committee in performing its oversight and other audit-related functions.

For further information regarding the Corporation's Audit Committee, including the relevant education and experience of the committee members, see the most recent AIF which can be accessed on the SEDAR website at www.sedar.com.

Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.

The Board has implemented a written position description for the CEO of the Corporation. The primary responsibilities of the CEO are to lead the general direction, development and management of the business and affairs of the Corporation in accordance with the corporate strategy and objectives approved by the Board, including to develop and recommend to the Board a strategic direction for the Corporation, and when approved, implement this direction, identify and communicate the primary risks of the Corporation's business to the Board, foster a culture that promotes ethical practices and individual integrity and, together with the Corporation's CFO, design and oversee the effectiveness of the integrity of the disclosure controls and procedures, internal controls over financial reporting and management systems of the Corporation.

Orientation and Continuing Education

Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.

Following the formation of the Board on the date of the Amalgamation, the directors were provided with extensive overviews of Pipestone Energy and its operations, including but not limited to a field visit, facilities overview, infrastructure overview, community relations overview, competitor analysis, market analysis and other matters, all of which are updated from time to time and at a minimum at each Board meeting. New members of the Board will be provided with material necessary for them to be properly informed as to the business and operations of the Corporation. Members of the Board are also provided with the opportunity to have meetings and discussions with senior management and other members of the Board. The details of the orientation of each new member are tailored to that member's individual needs, requests and areas of interest.

Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

The Corporation undertakes informal ongoing education efforts that include meetings with management of the Corporation and regular industry updates with the Board to discuss developments in the industry and market conditions. Continuing education opportunities are directed at enabling individual directors to maintain or enhance their skills and abilities as directors and to ensure that their knowledge and understanding of the Corporation's affairs remains current.

Ethical Business Conduct

Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code: (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

On the date of the Amalgamation, the Corporation formalized the Code of Conduct. The Code of Conduct reflects the ethical manner in which directors and employees currently operate the business and affairs of the Corporation.

The Corporation has also adopted a Whistleblower Policy (contained in the Code of Conduct) whereby employees and consultants of the Corporation and other persons are provided with a mechanism by which they can raise complaints or concerns regarding financial statement disclosure, accounting, internal accounting controls or auditing matters and complaints related to similar concerns on a confidential and, if deemed necessary, anonymous basis. The Board monitors compliance with the Code through the Whistleblower Policy.

A copy of the Code of Conduct may be obtained from the CFO of Pipestone Energy at Suite 3700, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5 or by facsimile at (587) 392-8421.

Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Directors should not enter into any transaction or engage in any practice directly or indirectly, which would tend to influence them to act in any manner other than in the best interests of the Corporation.

Each director must disclose all actual or potential conflicts of interest and refrain from voting on matters in which such director has a conflict of interest. In addition, the director must excuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest.

Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

The Board promotes a culture consistent with ethical business practices and conducts itself with a view to setting the appropriate tone from the top for all employees.

Nomination of Directors

Describe the process by which the board identifies new candidates for board nomination.

The Board was formed on January 4, 2019 in connection with completion of the Amalgamation. Going forward, the C&G Committee serves as the nominating committee of the Board. It identifies potential candidates and reviews the qualifications of potential candidates for the Board. In particular, it assesses, among other factors, industry experience, functional expertise, financial literacy and expertise, board experience and diversity of background. It also considers potential conflicts arising in connection with candidates for the Board. Upon such review, and after conducting appropriate due diligence, the C&G Committee makes recommendations on candidates to the Board.

Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

The C&G Committee of the Board of Directors serves as the nominating committee of the Board. Each member of the C&G Committee is independent.

If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The C&G Committee has been established to assist the Board in reviewing and making recommendations to the Board in respect of, among other things, the nomination of candidates for election to the Board. The C&G Committee is composed of a majority of independent directors.

Compensation

Describe the process by which the board determines the compensation for the issuer's directors and officers.

The Board has established the C&G Committee and delegated to it the responsibility of annually reviewing and approving the compensation paid by the Corporation to directors, officers and employees of the Corporation. The C&G Committee's review of compensation to directors, officers and employees includes a consideration of all forms of compensation paid, both with regards to the expertise and experience of each individual and in relation to industry peers.

Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

The Board has established the C&G Committee. Each member of the C&G Committee is independent.

If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The primary duties and responsibilities of the C&G Committee are to review and make recommendations to the Board in respect of: (i) human resources policies, practices and structure; (ii) compensation policies and guidelines; (iii) management incentive and perquisite plans; (iv) senior management, executive and officer compensation; (v) management succession plans, management training and development plans, termination policies and termination arrangements; (vi) Board compensation; and (vii) matters of corporate governance.

Each member of the C&G Committee is independent. Members of management and other parties may attend meetings at the request of the committee; however, the committee holds an *in-camera* session at each meeting.

Other Board Committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board also has a Reserves & HSE Committee. The function of the Reserves & HSE Committee is to assist the Board in carrying out its oversight responsibility with respect to public reporting related to Pipestone Energy's oil and gas reporting and risk management.

Assessments

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

Following the completion of the Amalgamation on January 4, 2019 the new Board of Directors of Pipestone Energy was formed. The C&G Committee conducted an extensive review of its director membership and performance in each of 2020, 2021 and 2022. The C&G Committee will conduct annual assessments of the overall performance, effectiveness and contribution of the Board, each committee, and each director and reports on such assessments to the Board.

The objective of the assessments will be to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement. In addition to any other matters the C&G Committee deems relevant, the assessments will consider in the case of the Board or a committee, the applicable mandate or charter, and in the case of individual directors, the applicable position descriptions, as well as the competencies and skills each individual director is expected to bring to the Board.

**Director Term Limits and Other
Mechanisms of Board Renewal**

Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

No director has served on the Board of Directors for more than 4.5 years to date. The Corporation has not implemented term limits for its directors. The C&G Committee, in proposing nominees to the Board, will take into consideration whether any Board renewal is necessary.

**Policies Regarding the Representation of
Women on the Board**

Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so. If an issuer has adopted such a policy, disclose the following in respect of the policy: (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.

The Corporation has adopted a written Board Diversity Policy to reflect the Corporation's belief in the importance of diversity at the Board level. Under this policy, Board diversity includes, but is not limited to, gender, ethnicity, age, business experience and functional experience. Pursuant to this policy, the Corporation will seek to establish and maintain a Board comprised of directors with a diverse mix of skills, experience, knowledge and backgrounds.

The Corporation is committed to a merit-based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free from conscious or unconscious bias and discrimination. When identifying suitable candidates for appointment to the Board, the Corporation will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board.

In accordance with the Board Diversity Policy and the C&G Committee's mandate, the C&G Committee will periodically assess the skills, experience, knowledge and backgrounds of the Corporation's directors in light of the needs of the Board, including the extent to which the current composition of the Board reflects a diverse mix of skills, experience, knowledge and backgrounds. The C&G Committee's mandate also requires it to review annually whether it is desirable to adopt additional requirements or policies with respect to the diversity of the Board, including representation of women on the Board.

**Consideration of the Representation of
Women in the Director Identification and
Selection Process**

Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.

The Board recognizes the benefits of having a diverse Board to enhance the quality of its performance. As described above, gender is one of the elements of diversity the C&G Committee considers when reviewing and assessing Board composition and recommending appointments of new directors. To assist in identifying qualified candidates for election to the Board, the C&G Committee is authorized under its mandate to engage, as deemed appropriate, advisors to assist it in searches for such qualified candidates.

Pursuant to the Board Diversity Policy, any search firm engaged to assist the Board or the C&G Committee in identifying candidates for appointment to the Board will be directed to consider diversity candidates.

Governance Disclosure Guideline under
NI 58-101

Governance Procedures at Pipestone

Consideration Given to the Representation
of Women in Executive Officer
Appointments

Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

The Board also recognizes the benefits of having diversity amongst executive officers to enhance the quality of the Corporation's performance.

When identifying suitable candidates for executive officer positions, the Corporation will consider candidates on merit against objective criteria having due regard to the benefits of diversity, the current composition of the management team and the needs of the Corporation.

As with appointments to the Board, gender is one of the elements of diversity that the Board, the C&G Committee and management consider in making or recommending, as applicable, the appointment of executive officers.

Issuer's Targets Regarding the
Representation of Women on the Board
and in Executive Officer Positions

Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.

The Corporation believes promotion of diversity is best served through careful consideration of all of the knowledge, experience, skills and backgrounds of each individual candidate for director in light of the needs of the Board without focussing on a single diversity characteristic. The C&G Committee considered the objectives of the Board Diversity Policy with its Board composition in 2022.

Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.

The Corporation has not adopted a target regarding women in executive officer positions. The focus is on attracting the competencies that best meet the needs of the Corporation at any point in time, while considering and honouring the guiding principle of fair representation of and opportunity for women at all levels of the organization. The Corporation takes the approach of continually striving to improve through the fostering of a culture that is encouraging and accepting of diversity, rather than setting targets.

If the issuer has adopted a target referred to above, disclose: (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target.

Since the date of the Amalgamation, Pipestone Energy has maintained female representation on its Board.

Number of Women on the Board and in
Executive Officer Positions

Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.

As of the date of the Circular, there is one (12.5%) member of the Board who is a woman. One of the proposed director nominees is a woman.

Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

There are no (0%) executive officers who are women.

**Board of Directors Mandate
(Effective January 9, 2019)**

Policy Statement

Pipestone Energy Corp. (the "**Corporation**") has established this mandate for the Board of Directors (the "**Board**") of the Corporation to assist it in fulfilling its responsibility to oversee the business and affairs of the Corporation and the activities of management who are responsible for the day to day conduct thereof.

Composition

A majority of the directors shall be resident Canadian and shall be "independent" as such term is defined in Section 1.4 of National Instrument 52-110 – *Audit Committees* and any other applicable securities legislation.

Meetings

1. The Board will meet at least four times annually and at such other times as it considers necessary for the purpose of governing the business and affairs of the Corporation. In addition the Board will meet separately at least once each year or as part of one or more of its other meetings to review the longer term strategies and prospects of the Corporation.
2. Information and data that is important to the Board's understanding of the business and affairs of the Corporation should be distributed by management to the Board on a timely basis in advance of the meetings. Care should be taken to ensure that the Board is not called upon too late in the decision making process.
3. As a general rule presentations on specific subjects should be sent by management to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material.
4. The President and Chief Executive Officer (the "**CEO**") will be responsible for the extent and quality of the information sent to members of the Board.
5. Senior management should be invited to attend the Board meetings as appropriate to expose the directors to key members of management and to provide additional insight into the items being considered by the Board.
6. The Board will hold in camera sessions, without management or any other individuals present, at every Board meeting.

General Responsibilities

The Board has the responsibility to oversee management of the Corporation with a view to ensuring legal requirements have been met, and documents and records have been properly prepared, approved and maintained. In that regard the Board will strive to ensure that the Corporation meets its obligations on an ongoing basis and that it operates in a reliable and safe manner.

1. The Board will review and approve the quarterly and annual financial statements of the Corporation and the communication of such results and operations to the shareholders.
2. The Board will oversee the overall development of the business of the Corporation by reviewing, discussing and approving the Corporation's strategic planning and organizational structure for the purposes of growth and preservation of the business of the Corporation and its underlying value.

3. The Board will be responsible for the appointment of the Chief Executive Officer and all other senior management and approving their compensation.
4. The Board will oversee that succession planning programs are in place, including programs to train and develop management.
5. The Board will consider management's procedures for risk management and mitigation, communication, safety and environment and internal control of the Corporation.
6. The Board may discharge its responsibility for overseeing the management of the Corporation's business and affairs, by delegating to management the day-to-day responsibility for the same and by reserving certain powers to itself. The Board will retain the responsibility of managing its own affairs and procedures, including selecting a Chair or the lead director of the Board, if any, nominating candidates for election to the Board, constituting committees of the Board and determining director compensation. Notwithstanding the foregoing general responsibilities, the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board, subject to the articles and by-laws of the Corporation, applicable securities legislation and the *Business Corporations Act* (Alberta).

Specific Duties

To carry out its general responsibilities, the Board will, as it determines appropriate from time to time:

1. *Legal Requirements*

- (a) endeavour to ensure the Corporation meets its legal requirements and properly prepares, approves and maintains its documents and records;
- (b) oversee the management of the business and affairs of the Corporation;
- (c) act honestly and in good faith with a view to the best interest of the Corporation;
- (d) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances;
- (e) act in accordance with its obligations contained in the Business Corporation Act (Alberta) and the regulations thereto, the Corporation's articles and by-laws, and other relevant legislation and regulations;
- (f) comply with applicable statutory duties and obligations set out in applicable legislation;
- (g) consider the following matters as a full Board which in law may not be delegated to management or to the committee of the Board:
 - i. any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - ii. filling of a vacancy among the Board;
 - iii. issuance of securities;
 - iv. declaration of dividends;
 - v. purchase, redemption or any other form of acquisition by the Corporation of securities issued by the Corporation;
 - vi. payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase securities of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchases for any such securities;
 - vii. approval of management proxy circulars;
 - viii. approval of any take-over bid circular or directors' circular;
 - ix. approval of public financial statements of the Corporation; and
 - x. adoption, amendment or repeal of any by-laws of the Corporation; and

- (h) review and obtain assurance from management and the Corporation's independent engineering firm that the Corporation's disclosure of oil and gas reserves and future net revenue complies with applicable securities legislation, which in law may be delegated to a committee of the Board, subject to the requirement that the full Board meet with any such committee and review and approve the content and filing of such disclosure in accordance with National Instrument 51-101- *Standards of Disclosure for Oil and Gas Activities* and applicable securities legislation.

2. *Governance*

- (a) oversee the implementation of appropriate structures and procedures to permit the Board to function independently of management; and
- (b) in consultation with management, be aware of and consider whether the Corporation complies with applicable securities legislation or policies of any stock exchange on which the Corporation's securities are listed for trading regarding corporate governance.

3. *Strategic and Budgetary Oversight*

- (a) review and approve any strategic plan, prepared by management with the input and oversight of the Board.
- (b) review and approve the Corporation's annual capital budget and any variations or supplements thereto.

4. *Managing Risk*

- (a) in consultation with management, understand the principal risks of the Corporation's business, oversee the achievement of a proper balance between risks incurred by the Corporation and the potential return of shareholders, and review the systems in place to effectively monitor and manage those risks with a view to the long-term viability of the Corporation, it having recognized that it is the responsibility of management to ensure that the Board and the appropriate committees are kept well informed of new and changing risks on a timely basis.

5. *Appointment, Training and Monitoring of Senior Management*

- (a) appoint the CEO, monitor and assess CEO performance, determine CEO compensation, and provide advice and counsel in the execution of the CEO's duties;
- (b) approve the appointment and remuneration of all officers of the Corporation;
- (c) consider whether adequate provision has been made for training and developing management and for the orderly succession of management; and
- (d) consider the integrity of the CEO and other officers and whether the CEO and other officers create a culture of integrity throughout the Corporation.

6. *Reporting and Communication*

- (a) satisfy itself that the Corporation has in place policies and programs to enable the Corporation to communicate with its shareholders, other stakeholders and the public generally;
- (b) review the resources and procedures in place such that the financial performance of the Corporation is reported to shareholders, other securityholders and regulators on a timely and regular basis;
- (c) review and, if applicable, obtain assurance from management and the auditors that the financial results are reported in accordance with applicable legislation;

- (d) consider procedures for the timely reporting of any other developments that have a significant and material effect on the value of the Corporation; and
- (e) report annually to shareholders on the Board's stewardship of the affairs of the Corporation for the preceding year.

7. *Monitoring and Acting*

- (a) make reasonable efforts to consider whether the Corporation operates within applicable legislation and to proper ethical standards;
- (b) approve environmental policies and periodically consider the application of appropriate environmental standards and legislation on the operations of the Corporation;
- (c) approve health and safety policies and periodically consider the application of appropriate programs for the health and safety of its employees in the workplace;
- (d) consider the Corporation's progress towards its goals and objectives and, if necessary, revise and alter its direction through management in response to changing circumstances;
- (e) take appropriate action when performance falls materially short of the Corporation's goals and objectives or when other special circumstances warrant;
- (f) consider the implementation of adequate internal control and information systems designed to ensure the effective discharge of the Board's responsibilities; and
- (g) consider the Corporation's internal control and information systems after implementation.

Other

1. The Board may perform any other activities consistent with this mandate, the Corporation's by-laws or any other governing laws as the Board determines necessary or appropriate.
2. Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Board shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the information provided by such persons or organizations, and (iii) representations made by management, independent counsel, and other advisors and experts to the Corporation and its subsidiaries.

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