

SATURN OIL & GAS INC.

**ANNUAL INFORMATION FORM
For the Year Ended December 31, 2022**

March 31, 2023

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SCHEDULES

SCHEDULE "A" REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES
EVALUATOR
SCHEDULE "B" REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS
DISCLOSURE
SCHEDULE "C" AUDIT COMMITTEE CHARTER

ABBREVIATIONS

Abbreviations

Oil and Natural Gas Liquids		Natural Gas	
Bbl or bbl	Barrel	Mcf or mcf	thousand cubic feet
Bbls or bbls	Barrels	Mmcf	million cubic feet
Mbbls	thousand barrels	Mcf/d or mcf/d	thousand cubic feet per day
Mmbbl	million barrels	MMcf/d	million cubic feet per day
MSTB or mstb	thousand stock tank barrels	Mbtu/d	thousand British Thermal Units per day
Bbl/d or bbl/d	barrels per day	MMBTU or mmbtu	million British Thermal Units
STB/d	Stock barrels of oil per day	Bcf or bcf	billion standard cubic feet
NGLs	natural gas liquids	GJ	Gigajoule

Other

BOE or boe	barrel of oil equivalent of natural gas and crude oil on the basis of 1 Bbl of crude oil for 6 Mcf of natural gas. Disclosure provided herein in respect of boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1 Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.
BOE/d, boe/d or boepd	barrel of oil equivalent per day.
m ³	Cubic metres

In this Annual Information Form, references to "dollars" and "\$" are to the currency of Canada, unless otherwise indicated and M or M\$ means thousands of dollars.

FORWARD-LOOKING STATEMENTS

Certain information contained in this Annual Information Form constitutes forward-looking statements and forward-looking information within the meaning of applicable securities legislation. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intend", "forecast", "plans", "guidance" and similar expressions is intended to identify forward-looking statements or information.

More particularly and without limitation, this Annual Information Form and the documents incorporated by reference herein contain forward-looking statements and information relating to the following:

- business objectives and strategies;
- the performance characteristics of the Corporation's oil and natural gas properties, including the assets acquired through the Corporation's recent acquisitions;
- oil and natural gas production levels;
- the size of the Corporation's oil and natural gas reserves;
- projections of market prices and costs;
- supply and demand for oil and natural gas;

- expectations regarding the ability to raise capital and to continually grow through acquisitions, exploration and development;
- expectations regarding commodity prices;
- future growth and drilling plans;
- future funds from operations;
- capital programs;
- debt levels;
- future royalty rates;
- future depletion, depreciation and accretion rates;
- treatment under, and changes to, governmental regulatory regimes and tax laws;
- our business plans and strategy;
- the completion timelines, results and benefits of infrastructure projects in Canada;
- the ability of Canadian oil and natural gas producers to benefit from trade agreements;
- abandonment and reclamation initiatives;
- capital expenditure programs and the timing and method of financing thereof.

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

Forward-looking statements are subject to risks, uncertainties and assumptions, including those discussed below and elsewhere in this Annual Information Form. Although we believe that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include the following:

- global or national health concerns, including the outbreak of pandemic or contagious diseases, such as COVID-19 and including the evolution of new variants of COVID-19, the impact thereof on, and without limitation, the Corporation and the oil and gas industry generally and the Corporation's and governmental authorities' current and planned responses thereto;
- volatility in the oil and natural gas industry;
- commodity prices, markets and marketing;
- adverse regulatory rulings, orders and decisions;
- exploration, development and production risks;
- operational risks and liabilities inherent in oil and natural gas operations;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- our ability to market our oil and natural gas;
- geological, technical, drilling and processing problems;
- fluctuation in foreign exchange or interest rates;
- stock market volatility;
- environmental and climate change risks;
- inflation and cost management;
- the inability to access sufficient capital from internal and external sources or on acceptable terms;
- changes in general economic, market and business conditions;
- uncertainties and changes in royalty regimes;
- the accuracy of oil and gas reserves estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates;

- incorrect assessments and uncertainties of the value of acquisitions and our exploration and development program;
- Saturn's business and acquisition strategy generally, the criteria to be considered in connection therewith and the benefits to be derived therefrom;
- political or economic developments;
- ability to obtain regulatory and other third party consents and approvals, when required;
- the occurrence of unexpected events;
- the results of litigation or regulatory proceedings that may be brought against us;
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry;
- expected effect of regulatory regimes and controls;
- cyber-security issues; and
- the other factors discussed under "*Risk Factors*".

The forward-looking statements and information contained in this Annual Information Form and in the documents incorporated by reference herein are based on certain key expectations and assumptions made by the Corporation, including expectations and assumptions relating to prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the availability of capital to undertake planned activities and the availability and cost of labour and services.

Although the Corporation believes that the expectations reflected in the forward-looking statements and information in this Annual Information Form and in the documents incorporated by reference herein are reasonable, it can give no assurance that such expectations will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the oil and gas industry in general, such as operational risks in development, exploration and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the uncertainty of estimates and projections relating to production rates, costs and expenses, commodity price and exchange rate fluctuations, marketing and transportation, environmental risks, competition, the ability to access sufficient capital from internal and external sources, changes in tax, royalty and environmental legislation and the risks under the heading "Risk Factors" in this Annual Information Form. Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future. Readers are cautioned that the foregoing list of factors and risks is not exhaustive.

The forward-looking statements and information contained in this Annual Information Form and in the documents incorporated by reference herein are made as of the date hereof and, unless so required by applicable law, the Corporation undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise. The forward-looking statements and information contained in this Annual Information Form and in the documents incorporated by reference herein are expressly qualified by this cautionary statement.

NON-GAAP FINANCIAL MEASURES AND RATIOS

This Annual Information Form includes non-GAAP financial measures as further described herein. These non-GAAP financial measures and ratios do not have a standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures by other companies. Management believes that the presentation of these non-GAAP financial measures and ratios provides useful information to investors and

shareholders as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis.

"Netbacks" are per boe measures used in operational and capital allocation decisions. Presenting netbacks on a per boe basis allows management to better analyze performance against prior periods on a comparable basis.

INCORPORATION AND ORGANIZATION

Saturn Oil & Gas Inc. (the "**Corporation**", "**Saturn**", "**we**", "**us**" or "**our**") was incorporated under the laws of British Columbia on August 16, 2001 as "Saturn Ventures Inc.". On May 28, 2003 and December 8, 2016, respectively, the Corporation amended its articles to change its name to "Saturn Minerals Inc." and subsequently to "Saturn Oil & Gas Inc.". In January 2017, the Corporation changed its strategic direction from a mining company to an oil and gas company operating in the Western Canadian Sedimentary Basin, and accordingly was continued into the province of Saskatchewan on December 17, 2018. In connection with its acquisition of Ridgeback (as defined below) on February 28, 2023, Ridgeback was amalgamated with a wholly-owned subsidiary of the Corporation, which was continued into Saskatchewan and was subsequently vertically amalgamated with the Corporation on March 7, 2023. See "*Business of the Corporation - Recent Developments*".

Saturn's corporate headquarters are located at Suite 2800, 525 - 8th Avenue SW, Calgary, Alberta, T2P 1G1 and its registered office is located at Suite 800, 230 – 22nd St. E., Saskatoon SK, S7K 0E9.

The issued and outstanding common shares in the capital of the Corporation (the "**Common Shares**") are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "SOIL", on the Frankfurt Stock Exchange (the "**FSE**") under the symbol "SMKA" and on the OTCQX Best Market ("**OTCQX**") under the symbol "OILSF". The 2021 Warrants (as defined below), March 2022 Warrants (as defined below) and July 2022 Warrants (as defined below) are listed and posted for trading on the TSXV under the symbol "SOIL.WT", "SOIL.WT.A" and "SOIL.WT.B" respectively.

The Corporation does not have any material subsidiaries.

All references to the Common Shares herein refer to such Common Shares following the share consolidation which occurred on October 13, 2021 on the basis of one (1) post-consolidation Common Share for every 20 pre-consolidation Common Shares (the "**Consolidation**"). Unless otherwise noted, such Common Shares are presented on a post-Consolidation basis. See "*Business of the Corporation - Three Year History - 2021*".

BUSINESS OF THE CORPORATION

General

Saturn is a growth-oriented oil and gas company focused on the acquisition and development of undervalued, low risk assets. The Corporation is involved in the production, exploration and development of its oil and gas assets in Alberta as well as South-East and West-Central Saskatchewan.

Three Year History

2020

On March 11, 2020, the Corporation announced the appointment of Mr. Jim Payne to the Corporation's board of directors and announced the concurrent resignation of the Corporation's Chief Operating Officer, Scott Newman.

On March 24, 2020, the Corporation announced that it had secured a fixed price hedge on 12,400 bbl/d of oil production at CAD \$65.40 per bbl (\$75.40 strike price) through January 31, 2021.

On June 26, 2020, the Corporation announced the issuance of 3,875,000 Options (as defined below) to management at a price of \$0.10 per share expiring five years from the date of grant. See "*Description of Capital Structure - RSU/DSU Plan and Amended Stock Option Plan*" for additional information concerning the Options.

On October 13, 2020, the Corporation announced the resignation of Mr. Simon Akit from the Corporation's board of directors.

On October 30, 2020, the Corporation announced the resignation of Mr. Geoff Jones, the Corporation's Chief Financial Officer and Corporate Secretary. Ms. Wendy Woolsey served as the Corporation's Interim acting Chief Financial Officer until the appointment of Mr. Scott Sanborn as Chief Financial Officer effective June 1, 2021.

2021

2021 was a transformational year for the Corporation. On May 28, 2021, the Corporation closed a first tranche of a non-brokered private placement financing (the "**2021 Non-Brokered Financing**") by issuing 64,583,334 pre-Consolidation special warrants ("**Special Warrants**") at a price of \$0.12 per Special Warrant for gross proceeds of \$7,750,000. The Special Warrants were governed a special warrant indenture, dated June 2, 2021 (the "**2021 Special Warrant Indenture**").

On June 1, 2021, the Corporation appointed Mr. Scott Sanborn as Chief Financial Officer.

On June 4, 2021, the Corporation closed: (i) the second tranche of the 2021 Non-Brokered Financing by issuing 88,749,999 Special Warrants at \$0.12 per Special Warrant for aggregate gross proceeds of \$10,650,000 (for a total of 153,333,333 pre-Consolidation Special Warrants for aggregate gross proceeds of \$18.4 million in the 2021 Non-Brokered Financing); and (ii) a brokered private placement financing (the "**2021 Brokered Financing**") for additional gross proceeds of \$13,800,000, including exercise in full of the agents' 15% over-allotment option. The 2021 Brokered Financing comprised of 115,000,000 pre-Consolidation subscription receipts (the "**Subscription Receipts**") issued and sold at \$0.12 per Subscription Receipt.

The Subscription Receipts were issued pursuant to the terms of a subscription receipt agreement dated June 2, 2021 (the "**2021 Subscription Receipt Agreement**"). Each Subscription Receipt converted automatically into a Special Warrant upon closing of the Oxbow Acquisition (as defined below) on June 7, 2021 and resulting in the issuance of an aggregate of 115,000,000 pre-Consolidation Special Warrants to subscribers in the 2021 Brokered Financing.

In accordance with their terms, each Special Warrant entitled the holder thereof to acquire, at no additional cost, one unit (a "**Unit**") of the Corporation, with each Unit comprised of one Common Share and one common share purchase warrant (each, a "**2021 Warrant**") of the Corporation on a pre-Consolidation basis. Each twenty (20) 2021 Warrants entitles the holder to acquire one (1) Common Share of the Corporation at \$3.20 on or before June 4, 2023, subject to adjustment in certain events. The 2021 Warrants are governed by the terms and conditions of the warrant indenture, dated June 2, 2021 (the "**2021 Warrant Indenture**"). See "*Description of Capital Structure - 2021 Warrants*".

In connection with the 2021 Brokered Financing, the Agents, were issued compensation special warrants ("**Compensation Special Warrants**") equal to 7% of the number of Subscription Receipts sold in the 2021 Brokered Financing (for a total of 402,500 Compensation Special Warrants on a post-Consolidation basis). Each Compensation Special Warrant entitles the holder thereof to acquire one (1) compensation option (a "**Compensation Option**") at \$0.12 per option with each Compensation Option entitling the holder thereof to acquire one unit (a "**Compensation Unit**") before June 4, 2023, with each Compensation Unit on a post-Consolidation and comprised of one Common Share and twenty (20) 2021 Warrants on or, subject to adjustment in certain events. In connection with the 2021 Non-Brokered Financing and the Oxbow Acquisition, certain finders received, among other things, 488,956 Compensation Special Warrants (on a post-Consolidation basis).

On June 7, 2021, Saturn completed the acquisition (the "**Oxbow Acquisition**") of certain petroleum and natural gas rights, interests and related assets located in the Oxbow area of southeast Saskatchewan pursuant to a purchase and sale agreement dated May 12, 2021 with Crescent Point Resources Partnership (the "**CPRP Agreement**"). The purchase price for the acquired assets was \$93 million (subject to customary closing adjustments) and had an effective date of April 1, 2021 and the Corporation used the net proceeds of the 2021 Brokered Financing to pay a portion of the purchase price for the acquisition and related adjustments.

In connection with the Oxbow Acquisition, the Corporation entered into a senior secured credit facility (the "**Senior Secured Term Loan**") for proceeds of \$87 million. The Senior Secured Term Loan had interest at a rate of the Canadian Dollar banker's acceptance rate + 11.5% and amortized over three years, with 50% repayable in the first year, 30% in the second year and 20% in the final year. In connection with the entering into of the Senior Secured Term Loan, the Corporation's previous revolving loan was subordinated and restated as a second secured loan note (the "**Second Secured Loan**"). See "*Business of the Corporation - Three Year History - 2022*", "*Business of the Corporation - Recent Developments*" and "*Description of Capital Structure - Credit Facility*" for additional information concerning the Debt Consolidation (as defined below), repayment of the Second Secured Loan and the Senior Secured Term Loan.

As a condition to entering into the amendment to create the Second Secured Loan, the Corporation was required to issue 2,190,000 post-Consolidation share purchase warrants (the "**Lender Warrants**") to the holder of the Second Secured Loan, at an exercise price of \$3.20 per Common Share, in exchange for cancelling 1,525,256 previously issued warrants, the waiver of certain defaults and subordinating the facility. See "*Description of Capital Structure – Lender Warrants*" for additional information concerning the Lender Warrants.

On June 30, 2021, the Corporation filed and obtained a receipt for a final short form prospectus in each of the provinces of Canada, except Québec, which qualified the Units issuable upon exercise or deemed exercise of the Special Warrants and Compensation Special Warrants for distribution issued pursuant to the 2021 Non-Brokered Financing, 2021 Brokered Financing and Oxbow Acquisition.

On July 6, 2021, the Special Warrants and Compensation Special Warrants were deemed exercised, and 891,456 post-Consolidation Compensation Options underlying the Compensation Special Warrants, and 13,416,667 post-Consolidation Common Shares and 268,333,333 2021 Warrants comprising of the Units underlying the Special Warrants, were issued.

On July 6, 2021, the Corporation announced the issuance of 3,500,000 Options to certain employees and management at an exercise price of \$0.145 per share expiring five years from the date of grant.

On June 8, 2021, Saturn appointed Mr. Kevin Smith as Vice-President, Corporate Development.

On August 3, 2021, the 2021 Warrants commenced trading on the TSXV under the trading symbol "SOIL.WT".

On August 3, 2021, the Corporation announced the issuance of 6,500,000 Options to certain employees, management and board of directors at a price of \$0.12 per share expiring five years from the date of grant.

On September 8, 2021, the Corporation gave notice of the resignation of its auditors, BDO Canada LLP and replacement with KPMG LLP as successor auditor in accordance with section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

On September 21, 2021, the Corporation announced the appointment of Mr. Glenn Hamilton to the Corporation's Board of Directors. See "*Business of the Corporation - Three Year History - 2022*" for more information concerning Mr. Glenn Hamilton.

On October 17, 2021, the Corporation completed the Consolidation. Notwithstanding the Consolidation, the 268,333,333 2021 Warrants were not consolidated such that, after giving effect to the Consolidation, each twenty (20) 2021 Warrants entitle the holder thereof to purchase one (1) post-Consolidation Common Share at an adjusted exercise price of \$3.20. A total of 13,416,667 Common Shares remain issuable pursuant to such 2021 Warrants and the other terms and conditions of the 2021 Warrants, including the expiry date of June 4, 2023, remained unchanged. See "*Description of Capital Structure – Common Shares*" for additional information concerning the Consolidation.

2022

On February 1, 2022, the Board approved the adoption of the RSU/DSU Plan (as defined below). The implementation of the RSU/DSU Plan is intended to provide a vehicle by which equity-based incentives may be awarded to the directors, employees, consultants and other persons or companies engaged to provide ongoing services to the Corporation. Pursuant to the RSU/DSU Plan, the Board may grant RSUs (as defined below) and DSUs (as defined below) as incentive payments to eligible persons. The RSU/DSU Plan was approved by disinterested shareholders on September 15, 2022. See "*Description of Capital Structure – RSU/DSU Plan and Amended Stock Option Plan*" for additional information regarding the RSU/DSU Plan.

On February 3, 2022, the Corporation granted a total of 63,000 RSUs to certain directors of the Corporation pursuant to the Corporation's RSU/DSU Plan (the "**2022 RSU Grant**"). 9,000 RSUs were subsequently forfeited in relation to the resignation from the Board by Glenn Hamilton (as described above). The remaining 54,000 RSUs granted pursuant to the 2022 RSU Grant were approved by disinterested shareholders on September 15, 2022. An additional 9,000 RSUs were subsequently forfeited in relation to Calvin Payne not seeking re-election to Board (as further described below).

On February 17, 2022, the Corporation announced: (i) its intention to repay the Second Secured Loan in the amount of approximately \$32.1 million (including pre-payment amounts); and (ii) that it had entered into an amended and restated term loan agreement (the "**A&R Term Loan Agreement**") with its senior secured lender to the existing Senior Secured Term Loan by expanding the principal amount by approximately \$38 million to a total of approximately \$103.2 million (collectively, the "**Debt Consolidation**"). As part of the Debt Consolidation, the full amount of the Second Secured Loan was retired on February 28, 2022. The Corporation used a portion of the balance of the expanded principal amount to fund the Plato Acquisition (as defined below) and used the remaining balance in part to fund its capital expenditure programs. See "*Business of the Corporation - Recent Developments*" and "*Description of Capital Structure - Credit Facility*" for additional information concerning the A&R Term Loan Agreement.

On February 28, 2022, the Corporation closed an arm's-length acquisition of high netback, light oil-weighted assets situated in Plato area of West-central Saskatchewan with an effective date of January 1, 2022 (the "**Plato Acquisition**"). Total cash consideration for the Plato Acquisition was \$7.9 million, after closing adjustments and was funded initially through a combination of cash on hand (as to \$3.6 million) and proceeds from the Senior Secured Term Loan (as to \$4.7 million).

On March 10, 2022, Saturn completed: (i) a bought-deal short form prospectus financing (the "**March 2022 Bought-Deal Financing**") of 6,141,000 Units at a price of \$3.00 per Unit for aggregate gross proceeds of \$18,423,000; and (ii) a non-brokered private placement (the "**March 2022 Non-Brokered Financing**") of 730,000 Units at a price of \$3.00 per Unit for aggregate gross proceeds to the Corporation of \$2,190,000. Each Unit consisted of one Common Share and one common share purchase warrant (the "**March 2022 Warrants**") with each full March 2022 Warrant entitling the holder thereof to acquire one Common Share at a price of \$4.00 (subject to adjustment in certain events) for a period of 36 months. The March 2022 Warrants are governed by the terms and conditions of the warrant indenture, dated March 10, 2022 (the "**March 2022 Warrant Indenture**"). The Corporation directed the proceeds of the March 2022 Bought-Deal Financing and March 2022 Non-Brokered Financing towards the Plato Acquisition as well as drilling and completions work, working capital, and general

corporate purposes. See "*Description of Capital Structure - March 2022 Warrants*" for additional information concerning the March 2022 Warrants.

In connection with the March 2022 Bought-Deal Financing, the Corporation entered into an underwriting agreement with a syndicate of underwriters dated February 24, 2022 (the "**March 2022 Underwriting Agreement**"). Pursuant to the March 2022 Underwriting Agreement and the March 2022 Bought-Deal Financing, the underwriters, among other things, were issued broker warrants ("**March 2022 Broker Warrants**") equal to 6.5% of the number of Units sold in the March 2022 Bought-Deal Financing (for a total of 399,165 March 2022 Broker Warrants). Each March 2022 Broker Warrant entitled the holder thereof to acquire one compensation unit (a "**March 2022 Compensation Unit**") at \$3.00 per unit with each March 2022 Compensation Unit entitling the holder thereof to acquire one Common Share and one March 2022 Warrant.

On March 18, 2022, the March 2022 Warrants commenced trading on the TSXV under the trading symbol "SOIL.WT.A".

On April 29, 2022, the Corporation announced the resignation of Mr. Glenn Hamilton from the Corporation's Board of Directors.

On June 8, 2022, the Corporation completed a bought-deal short form base shelf prospectus financing (the "**June 2022 Bought-Deal Financing**") of 21,181,860 subscription receipts (each a "**June 2022 Subscription Receipt**") at a price of \$2.75 per June 2022 Subscription Receipt for aggregate gross proceeds of approximately \$75 million, with each June 2022 Subscription Receipt converted automatically into a unit (each a "**July 2022 Unit**") upon the closing of the Viking Acquisition (as defined below). Each July 2022 Unit consisted of one Common Share and one half of one common share purchase warrant (each whole warrant a "**July 2022 Warrant**") and with each whole July 2022 Warrant entitling the holder thereof to acquire one Common Share at a price of \$3.20 (subject to adjustment in certain events) until July 7, 2023. The July 2022 Warrants are governed by the terms and conditions of the warrant indenture, dated June 8, 2022 (the "**July 2022 Warrant Indenture**"). See "*Description of Capital Structure - July 2022 Warrants*" for additional information concerning the July 2022 Warrants.

The June 2022 Subscription Receipts were issued pursuant to the terms of a subscription receipt agreement dated June 8, 2022 (the "**June 2022 Subscription Receipt Agreement**"). Each June 2022 Subscription Receipt converted automatically into a July 2022 Unit upon closing of the Viking Acquisition and resulting in the issuance of an aggregate of 21,181,860 July 2022 Units to subscribers in the June 2022 Bought-Deal Financing.

On July 6, 2022, the Corporation closed the Viking Acquisition with an effective date of July 6, 2022 pursuant to the Viking Purchase and Sale Agreement (as defined below). Total cash consideration for the Viking Acquisition was \$248 million, after closing adjustments and was funded from: (i) the Second A&R Term Loan Agreement (as defined below); (ii) the June 2022 Bought-Deal Financing; (iii) and July 2022 Non-Brokered Financing (as defined below). See "*Significant Acquisitions*".

On July 6, 2022, the Corporation entered into a second amended and restated senior secured loan agreement with its senior secured lender to the existing Senior Secured Term Loan, as further amended by the A&R Term Loan Agreement, by expanding the principal amount by approximately \$200 million to a total of approximately \$294.6 million (the "**Second A&R Term Loan Agreement**"). See "*Business of the Corporation - Recent Developments*" and "*Description of Capital Structure - Credit Facility*" for additional information concerning the Second A&R Term Loan Agreement.

On July 6, 2022, the Corporation completed a non-brokered private placement (the "**July 2022 Non-Brokered Financing**") of 145,537 July 2022 Units at a price of \$2.75 per July 2022 Unit for aggregate gross proceeds to the Corporation of \$400,326. The Corporation directed the proceeds of the Second A&R Term Loan Agreement, June 2022 Bought-Deal Financing and July 2022 Non-Brokered Financing towards the Viking Acquisition as well as drilling and completions work, working capital, and general corporate purposes.

In connection with the June 2022 Bought-Deal Financing, the Corporation entered into an underwriting agreement with a syndicate of underwriters dated June 2, 2022 (the "**June 2022 Underwriting Agreement**"). Pursuant to the June 2022 Underwriting Agreement and the June 2022 Bought-Deal Financing, the underwriters, among other things, were issued broker warrants ("**July 2022 Broker Warrants**") equal to 6.0% of the number of Units sold in the June 2022 Bought-Deal Financing (for a total of 1,619,962 July 2022 Broker Warrants). Each July 2022 Broker Warrant entitled the holder thereof to acquire one compensation unit (a "**July 2022 Compensation Unit**") at \$2.75 per July 2022 Compensation Unit with each Compensation Unit entitling the holder thereof to acquire one Common Share and one half of one July 2022 Warrant for a period of 12 months plus one day from their date of issuance.

On July 8, 2022, the July 2022 Warrants commenced trading on the TSXV under the trading symbol "SOIL.WT.B".

On September 14, 2022, the Corporation entered into new executive employment agreements with John Jeffrey, President and CEO and Justin Kaufmann, Chief Development Officer. Messrs. Jeffrey and Kaufmann's legacy employment contracts, which were entered into when the Corporation was of a significantly smaller scale, provided, among other things, for a lump sum payment of 5% or 2% of the market capitalization of the Corporation on certain termination or change of control events. As the Corporation has grown, these payments were viewed by the board as "off-market" and new employment agreements have been negotiated. In consideration of foregoing these legacy contracts, the Corporation has entered into new agreements with Messrs. Jeffrey and Kaufmann providing for the issuance of performance warrants ("**Performance Warrants**"). Messrs. Jeffrey and Kaufmann will receive 5,000,000 and 2,000,000 Performance Warrants (respectively), exercisable for Common Shares with an exercise price of \$2.50 each and vesting as to 1/3 when the Corporation's share price equals \$4.00 per share, 1/3 at a price of \$6.00 per share and 1/3 at a price of \$8.00 per share with a 7-year term. The new contracts provide for a minimum payment on severance or change of control of \$5,000,000 or \$2,000,000, respectively, less the value of any "in-the-money" performance warrants at such time.

On September 19, 2022, the Corporation announced the election of two new directors, Mr. Grant MacKenzie and Mr. Thomas Gutschlag, to the Board at the annual general and special meeting of shareholders held on September 15, 2022. Mr. Calvin Payne did not seek re-election to the Board and ceased to be a director of the Corporation effective September 15, 2022. See "*Directors and Officers of the Corporation*" for more information regarding Mr. Grant MacKenzie and Mr. Thomas Gutschlag.

On September 22, 2022, the Corporation began trading on the OTCQX under the symbol "OILSF".

Recent Developments

On January 31, 2023, the Corporation completed a bought-deal short form base shelf prospectus financing (the "**January 2023 Bought-Deal Financing**") of 59,242,000 subscription receipts (each a "**January 2023 Subscription Receipt**") at a price of \$2.11 per January 2023 Subscription Receipt for aggregate gross proceeds of approximately \$125,000,620, with each January 2023 Subscription Receipt converted automatically into one Common Share upon the closing of the Ridgeback Acquisition (as defined below).

The Subscription Receipts were issued pursuant to the terms of a subscription receipt agreement dated January 31, 2023 (the "**January 2023 Subscription Receipt Agreement**"). Each Subscription Receipt converted automatically into a Common Share upon closing of the Ridgeback Acquisition (as defined below) and resulting in the issuance of an aggregate of 59,242,000 Common Shares to subscribers in the January 2023 Bought-Deal Financing.

On February 28, 2023, the Corporation closed the Ridgeback Acquisition (as defined below) pursuant to the Ridgeback Plan of Arrangement (as defined below) and the Ridgeback Arrangement Agreement (as defined below) dated January 20, 2023. Consideration for the Ridgeback Acquisition was comprised of \$475 million in

cash, and the issuance of 19,406,167 Common Shares. Total cash portion of the purchase price was funded from the net proceeds of the January 2023 Bought-Deal Financing, and the Third A&R Term Loan Agreement (as defined below). In connection with the Ridgeback Acquisition, the Corporation entered into a third amended and restated senior secured loan agreement with its senior secured lender, by expanding the principal amount by approximately \$375 million to a total of approximately \$608,194,090.92 (the "**Third A&R Term Loan Agreement**"). See "*Business of the Corporation - Significant Acquisitions*" for additional information concerning the Ridgeback Acquisition. See "*Description of Capital Structure - Credit Facility*" for additional information concerning the Third A&R Term Loan Agreement.

Pursuant to the Ridgeback Plan of Arrangement, Ridgeback was amalgamated with a wholly-owned subsidiary of the Corporation, which was continued into Saskatchewan and was subsequently vertically amalgamated with the Corporation on March 7, 2023.

Significant Acquisitions

The Viking Acquisition

As detailed above, on July 6, 2022, Saturn completed the acquisition (the "**Viking Acquisition**") of certain oil and gas assets in the Viking area of west-central Saskatchewan pursuant to a purchase and sale agreement dated May 31, 2022 with an arm's length third party vendor (the "**Viking Purchase and Sale Agreement**"). The purchase price for the acquired assets was \$260 million (\$242.6 million after interim closing adjustments) and had an effective date of May 1, 2022. The Viking Acquisition constituted a significant acquisition under Part 8 of National Instrument 51-102 – Continuous Disclosure Obligations. Saturn filed a Form 51-102F4 (Business Acquisition Report) for the Viking Acquisition on July 28, 2022 (the "**Viking Acquisition BAR**"). The Viking Acquisition Bar is available on Saturn's SEDAR profile at www.sedar.com.

The Ridgeback Acquisition

As detailed above, on February 28, 2023, the Corporation closed an arm's-length acquisition (the "**Ridgeback Acquisition**") of Ridgeback Resources Inc. ("**Ridgeback**"), a privately held oil and gas producer focused on light oil production in Saskatchewan and Alberta for a transactional value of approximately \$516 million pursuant to statutory plan of arrangement (the "**Ridgeback Plan of Arrangement**") and an arrangement agreement dated January 20, 2023 (the "**Ridgeback Arrangement Agreement**"). Consideration for the Ridgeback Acquisition was comprised of \$475 million in cash, and the issuance of 19,406,167 Common Shares. The Ridgeback Acquisition constituted a significant acquisition under Part 8 of National Instrument 51-102 – Continuous Disclosure Obligations. Saturn will file a Form 51-102F4 (Business Acquisition Report) for the Ridgeback Acquisition (the "**Ridgeback Acquisition BAR**"). Once filed, the Ridgeback Acquisition BAR will available on Saturn's SEDAR profile at www.sedar.com.

In connection with the Ridgeback Acquisition, and pursuant to the terms of the Ridgeback Arrangement Agreement, the Company entered into a registration rights agreement dated February 28, 2023 (the "**Registration Rights Agreement**") granting registration rights to certain former significant Ridgeback shareholders holding in the aggregate approximately 14.4 million Common Shares of Saturn in order to allow for the orderly distribution of the Common Shares that were issued to such shareholders upon closing. For so long as the shareholders to which registration rights were granted holds (directly or indirectly) more than 5% of the Company's then outstanding Common Shares, they are entitled to: (i) demand registration rights to, by written request no more than twice per year, require the Company to file a prospectus to qualify a distribution of Common Shares held by such person; and (ii) certain piggyback registration rights on future offerings the Company may undertake. A copy of the Registration Rights Agreement is available on Saturn's SEDAR profile at www.sedar.com

DESCRIPTION OF THE BUSINESS

General

Saturn is a growth-oriented oil and gas corporation focused on the acquisition and development of undervalued, low risk assets. The Corporation is involved in the production, exploration and development of oil and gas assets in Alberta as well as Southeast and West-Central Saskatchewan. For the year ended December 31, 2022, Saturn averaged production of 9,593 boe/d (13,128 boe/d exit). As of December 31, 2022, Saturn owned approximately 92,277 gross (75,695 net) acres of undeveloped land. See "*Statement of Reserves Data and Other Oil and Gas Information*" in this Annual Information Form.

Business Objectives and Strategy

Saturn's business plan is to focus on sustainable and profitable per share growth in both cash flow from operations and net asset value. To accomplish this, the Corporation will focus on enhancing its asset base through selective acquisitions, optimization and development drilling and accretive acquisitions of quality, high netback oil and gas acquisitions.

The Corporation expects to generate further development opportunities possessing low risk and multiple prospective productive zone potential with incremental acquisitions. The Corporation intends to maintain a balance between development and selective acquisition opportunities that meet the Corporation's business parameters. To achieve sustainable and profitable growth, the Corporation will control the timing and costs of its projects wherever possible. Accordingly, the Corporation will seek to become the operator of its properties to the greatest extent possible. Further, to minimize competition within its geographic areas of interest, the Corporation will, after giving consideration to its risk profile, strive to further acquire lands that fit its geologic model. While the Corporation intends to have the skills and resources necessary to achieve its objectives, participation in development in the oil and natural gas industry has a number of inherent risks. See "*Risk Factors*".

In reviewing potential drilling or acquisition opportunities, the Corporation gives consideration to the following criteria:

- (a) risk capital required to secure or evaluate the investment opportunity;
- (b) the potential return on the project, if successful;
- (c) the likelihood of success; and
- (d) the risked return versus cost of capital.

In general, the Corporation will use a portfolio approach in developing a large number of opportunities with a balance of risk profiles and commodity exposure, in an attempt to generate sustainable high levels of profitable production and financial growth.

As of the date hereof, Saturn's core operating assets and land holdings are primarily located in and around: (i) the Oxbow area of Southeast Saskatchewan, principally targeting light oil in the Frobisher and Midale formations, respectively; (ii) West-Central Saskatchewan targeting the light oil in the Viking formation and heavy oil in the Success formation; (iii) Swan Hills heavy oil; (iv) Alberta Cardium; and (v) Kaybob Montney. See "*Statement of Reserves Data and Other Oil and Gas Information – Property Overview*".

Specialized Skills and Knowledge

It is the belief of management that Saturn's officers and employees, who have significant technical and operational oil and gas experience, hold the necessary skill sets to successfully execute the Corporation's business strategy in order to achieve its corporate objectives.

Saturn's management team has an established track record of creating value through an integrated strategy of acquiring, exploiting and exploring assets. In a relatively short period of time, Saturn's officers and employees have demonstrated the ability to profitably grow and expand Saturn's base of operations.

Saturn's drilling and acquisition profile has positioned it to succeed in currently prevailing industry conditions. Since commencing active oil and gas operations, management of Saturn has established a balanced production and prospect risk profile necessary to become a successful growth-oriented oil and gas corporation. Saturn's inventory of drilling prospects, combined with management's ability to execute strategic corporate and property acquisitions, is expected to continue to support and expand its existing asset base.

Competitive Conditions

There is strong competition in all aspects of the oil and natural gas industry. The Corporation actively competes for capital, skilled personnel, undeveloped land, reserves acquisitions, access to drilling rigs, service rigs and other equipment, access to processing facilities and pipeline and refining capacity, and in all other aspects of its operations with a substantial number of other organizations, many of which may have greater technical and financial resources than the Corporation. Some of those organizations not only explore for, develop and produce oil, NGLs and natural gas but also carry on refining operations and market petroleum and other products on a world-wide basis and as such have greater and more diverse resources on which to draw. Saturn believes that its competitive position is similar to that of other oil and gas issuers of similar size and at a similar stage of development. See "*Risk Factors - Competition*".

Cyclical and Seasonal Impact of the Industry

Saturn's operational results and financial condition will be dependent on the prices received for oil and natural gas production. Oil and natural gas prices fluctuate widely and are determined by supply and demand factors, including weather and general economic conditions, world-wide geopolitical factors as well as conditions in other oil and natural gas regions. Any decline in oil and natural gas prices could have an adverse effect on the Corporation's financial condition. The Corporation maintains a robust hedging program to minimize such risks. See "*Risk Factors - Seasonality*".

Economic Dependence

Saturn has ensured economic diversity for the Corporation by not being substantially dependent on any single contract or license, such as a contract to sell the major part of its products or services or to purchase the majority of its goods, services or raw materials, or any franchise, licence or other agreement to use a patent, formula, trade secret, process or trade name upon which the Corporation's business depends.

Changes to Contracts

Saturn does not reasonably anticipate being materially affected by re-negotiation or termination of contracts or sub-contracts.

Environmental Policies

The oil and natural gas industry is currently subject to environmental regulations pursuant to a variety of provincial and federal legislations. Saturn is committed to managing and operating in a safe, efficient, environmentally responsible manner in association with its industry partners and is committed to continually improving its environmental, health, safety and social performance. To fulfill this commitment, the Corporation's operating practices and procedures are consistent with the requirements established for the oil and gas industry. Key environmental considerations include air quality and reduction of greenhouse gas emissions, water conservation, spill management, waste management plans, lease and right-of-way management, natural and historic resource

protection, and liability management (including site assessment, remediation and reclamation). These practices and procedures apply to our employees and we monitor all activities and make reasonable efforts to ensure that companies who provide services to us will operate in a manner consistent with our environmental policies.

Compliance with such legislation can require significant expenditures or result in operational restrictions. Breach of such requirements may result in suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage and the imposition of material fines and penalties, all of which might have a significant negative impact on earnings and overall competitiveness. Saturn believes that the Corporation meets all existing environmental standards and regulations and include sufficient amounts in our capital expenditure budget to continue to meet current environmental protection requirements. The Corporation believes that it is reasonably likely that the trend towards stricter standards in environmental legislation and regulation will continue, and in continuing to maintain high quality operations, it anticipates making increased expenditures of both a capital and an expense nature as a result of these increasingly stringent environmental protection laws. However, these requirements apply to all operators in the oil and gas industry and it is not currently possible to quantify any such increased expenditures; therefore, it is not anticipated that Saturn's competitive position within the industry will be adversely affected by current or future environmental laws and regulations governing its oil and natural gas operations.

Saturn's environmental management program and operating guidelines focus on minimizing the environmental impact of the Corporation's operations while meeting regulatory requirements and corporate standards. Saturn's environmental program is monitored by the Corporation's health, safety and environmental committee and includes: an internal environmental compliance audit and inspection program; a suspended well inspection program to support future development or eventual abandonment; appropriate reclamation and decommissioning standards for wells and facilities ready for abandonment; an asset integrity program; an effective surface reclamation program; a groundwater monitoring program; a spill prevention, response and clean-up program; a fugitive emission survey and repair program; and an environmental liability assessment program.

The Corporation expects to incur abandonment and reclamation costs as its oil and gas properties are abandoned. In 2022, expenditures for normal compliance with environmental regulations were not material and expenditures for above normal compliance were \$0.6 million. The Corporation also utilized \$13.9 million from the federal government accelerated site closure plan (“**ASCP Funding**”) as well as an additional \$0.2 million to accelerate certain abandonment and reclamation activities in 2022.

For a further discussion of the environmental regulations affecting the oil and gas industry, see "*Risk Factors*" and "*Information Concerning the Oil and Natural Gas Industry*".

Personnel

As at December 31, 2022, Saturn had 107 full-time employees, 4 consultants and 21 contract operators.

Price Risk Management

Prices received for production and associated operating expenses are impacted in varying degrees by factors outside management's control. These factors include, but are not limited to, the following:

- (a) world market forces, including the ability of the Organization of the Petroleum Exporting Countries ("**OPEC**") and Russia to set and maintain production levels and prices for crude oil;
- (b) political conditions, including the risk of hostilities in Ukraine, the Middle East and other regions throughout the world;
- (c) increases or decreases in crude oil quality and market differentials;
- (d) availability of takeaway pipeline capacity;

- (e) the impact of changes in the exchange rate between Canada and United States dollars on prices received by the Corporation for its crude oil and natural gas;
- (f) North American market forces, most notably shifts in the balance between supply and demand for crude oil and natural gas and the implications for the price of crude oil and natural gas;
- (g) global and domestic economic and weather conditions;
- (h) price and availability of alternative fuels;
- (i) the effect of energy conservation measures and government regulations;
- (j) the demand impact of COVID-19; and
- (k) the impact of the Russia/Ukraine conflict.

Saturn mitigates such price risk through closely monitoring the various commodity markets and establishing price risk management programs, as deemed necessary and through maintaining financial flexibility. Additionally, the Corporation continually reviews its capital program and implement initiatives to adapt to such price changes. See "*Risk Factors – Volatility in the Oil and Gas Industry*", "*Risk Factors – Commodity Prices, Markets and Marketing*" and "*Risk Factors – Hedging*".

Revenue Sources

For the year ended December 31, 2022, 99% of the revenue from Saturn's properties before royalties was derived from light oil and NGLs (99% for the year ended December 31, 2021). Production is sold to marketers at delivery points in or close to the producing field.

Need to Replace and Grow Reserves

The future oil and natural gas production of the Corporation and, therefore, future cash flows, are highly dependent upon ongoing success in exploring the Corporation's current and future undeveloped land base, exploiting the current producing properties and acquiring or discovering additional reserves. Without reserve additions through exploration, acquisition or development activities, reserves and production will decline over time as reserves are depleted. See "*Risk Factors – Purchase of Reserves*", "*Risk Factors – Development of Additional Reserves*" and "*Risk Factors – Depletion of Reserves*".

The business of discovering, developing, or acquiring reserves is capital intensive. To the extent cash flows from the Corporation's operating activities are insufficient and external sources of capital become limited or unavailable, the ability for the Corporation to make the necessary capital investments to maintain and expand its oil and natural gas reserves may be impaired. While the Corporation would seek to finance these activities in the most prudent manner possible, it cannot be assured that debt or equity financing, or cash generated by operations, will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Saturn. There can be no assurance that the Corporation will be able to find and develop or acquire additional reserves to replace and grow production at acceptable costs. Moreover, future activities may require Saturn to alter its capitalization significantly. Transactions involving the issuance of securities may be dilutive. The inability of Saturn to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects. See "*Risk Factors - Substantial Capital Requirements*" and "*Risk Factors - Additional Funding Requirements*" for further discussion of capital requirements.

RISK FACTORS

The Corporation is subject to both risks that directly affect Saturn's business and operations, as well as indirect risks that impact third parties or the industry generally. The holding of securities in the Corporation should be considered highly speculative due to the nature of the Corporation's business and the present stage of its development. Investors should carefully consider the risk factors set out below and consider all other information contained herein and in Saturn's other public filings before making an investment decision. The following is a summary of certain risk factors relating to the activities of the Corporation and the ownership of the Corporation's securities which should be carefully considered before making an investment decision relating to the Corporation's securities. **The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all the risks associated with Saturn's business, the business of third parties with whom Saturn conducts business and the oil and natural gas business generally. If any event arising from the risk factors set forth below occurs, Saturn's business, prospects, financial condition, results of operation or cash flows and in some cases, its reputation, could be materially adversely affected.**

Adverse Economic Conditions

The demand for energy, including crude oil, NGLs and natural gas, is generally linked to broad-based economic activities. If there was a slowdown in economic growth, an economic downturn or recession, or other adverse economic or political development in the U.S., Europe, Asia or elsewhere, there could be a significant adverse effect on global financial markets and commodity prices. In addition, hostilities in the Middle East, Ukraine, and Taiwan and the occurrence or threat of terrorist attacks in the U.S. or other countries could adversely affect the global economy. Global or national health concerns, including the outbreak of pandemic or contagious diseases, such as COVID-19, may adversely affect us by (i) reducing global economic activity thereby resulting in lower demand for crude oil, NGLs and natural gas, (ii) impairing Saturn's supply chain, for example, by limiting the manufacturing of materials or the supply of goods and services used in our operations, and (iii) affecting the health of Saturn's workforce, rendering employees unable to work or travel. These and other factors disclosed elsewhere herein that affect the supply and demand for crude oil, NGLs and natural gas, and Saturn's business and industry, could ultimately have an adverse impact on Saturn's financial condition, financial performance, and funds flow.

COVID-19 Pandemic and Related Risks

Pandemics, epidemics or outbreaks of an infectious disease in Canada or worldwide could have an adverse impact on Saturn's business, including changes to the way Saturn and its counterparties operate, and on Saturn's financial results and condition. The spread of the COVID-19 pandemic, given its severity and scale, continues to adversely affect the Corporation's business to varying degrees and many of its customers and business partners and also continues to pose risks to the global economy and the oil and natural gas industry more broadly. At the onset of the COVID-19 pandemic, governments and regulatory bodies in affected areas imposed a number of measures designed to contain the COVID-19 pandemic, including widespread business closures, social distancing protocols, travel restrictions, quarantines, curfews and restrictions on gatherings and events. While a number of containment measures have been and continue to be gradually eased or lifted across some regions, additional safety precautions and operating protocols aimed at containing the spread of COVID-19 have been and continue to be instituted in line with guidance of public health authorities. In addition, the emergence of the second, third and fourth waves of the COVID-19 pandemic, together with the emergence of new COVID-19 variant strains, has led to the imposition of containment measures to varying degrees in many regions within Canada and globally. These containment measures continue to impact global economic activity, including the ability to move towards recovery of the global economy and such measures also contribute to the decreased demand for hydrocarbons, increased market volatility and continued changes to the macroeconomic environment. As the impacts of the COVID-19 pandemic continue to materialize, the prolonged effects of the disruption have had and continue to have adverse impacts on the Corporation's business strategies and initiatives, resulting in ongoing effects to its financial results, including the increase of counterparty, market and operational risks.

The Corporation is closely monitoring the potential and realized effects and impacts of the COVID-19 pandemic, which continues to be a rapidly evolving situation. Uncertainty remains as to the full impacts of the COVID-19 pandemic on the global economy, commodity and financial markets, oil and natural gas capital investment levels in the Frobisher, Midale, Viking and Success formations, respectively, and the energy business more broadly. The ultimate impacts will depend on future developments that are highly uncertain and cannot be predicted, including the scope, severity, duration and additional subsequent waves of the COVID-19 pandemic, including the introduction of new variants, as well as the effectiveness of actions and measures taken by the various levels of government. Despite recent positive vaccine developments, the ongoing evolution of the development and distribution of effective vaccines also continues to raise uncertainty.

The Corporation may face challenges, including increased risk of disputes and litigation, as a result of the effects of the COVID-19 pandemic on market and economic conditions and actions government authorities and financial lenders take in response to those conditions. Saturn may also face increased operational and reputational risks, including the potential for escalating counterparty risk. The COVID-19 pandemic has resulted, and may continue to result, in disruptions to some of Saturn's business partners, clients and customers and the way in which Saturn conducts business. These factors have impacted, and may continue to impact, Saturn's business operations and continuity of relationships with its business partners. Operational risks which may affect the Corporation or its business partners include the need to provide enhanced safety measures for employees and customers and complying with rapidly changing regulatory guidance. To date, Saturn has taken proactive measures to preserve the well-being of Saturn's employees and its ability to conduct business.

If the COVID-19 pandemic is further prolonged, including the possibility of additional subsequent waves, introduction of new variants, or further diseases merge that give rise to similar effects, the adverse impact on the economy could deepen and result in further volatility and declines in commodity and financial markets. Moreover, it remains uncertain how the macroeconomic environment will be impacted following the COVID-19 pandemic. Unexpected developments in commodity and financial markets, regulatory environments, industrial activity or consumer behavior and confidence may also have adverse impacts on the Corporation's business and financial condition, potentially for a substantial period of time.

In virtually all aspects of Saturn's business and strategy, management's view of risks is not static as the Corporation's business activities expose it to a variety of risks. The Corporation actively manages its risks to help protect and enable its business and future prospects. Additionally, Saturn continues to evaluate the impacts that the COVID-19 pandemic has had and continues to have on its business, including the impact on it stop and emerging risks, operational and reputational risks as well as credit, market and liquidity and funding risks and environmental, social and governance risks. For further details on Saturn's risks, refer to the detailed risk factors below and throughout this Annual Information Form.

Volatility in the Oil and Gas Industry

Market events and conditions, including global excess oil and natural gas supply, actions taken by OPEC, sanctions against, and civil unrest in, Russia, Iran and Venezuela, slowing growth in China and emerging economies, market volatility and disruptions in Asia, weakening global relationships, conflict between the United States and Iran, isolationist and punitive trade policies, sovereign debt levels, world health emergencies (including the COVID-19 pandemic) and political upheavals in various countries including growing anti-fossil fuel sentiment, have caused significant volatility in commodity prices. See *"Risk Factors – Political Uncertainty"* and *"Risk Factors – COVID-19 Pandemic and Related Risks"*. Through 2020, oil prices deteriorated due to softening global demand caused by the COVID-19 pandemic. In March 2020, OPEC and Russia were unable to reach an agreement to further manage oil production volumes to support global oil prices. Saudi Arabia responded by reducing its pricing and promising to increase production to over 10 million bbl/d. These actions led to the deepest drop in oil prices that global markets have seen since 1991. With the rapid spread of COVID-19 and additional oil supply, oil prices and global equity markets deteriorated significantly, and they remain under pressure. The

extreme supply/demand imbalance caused a reduction in industry spending in 2020. The crude oil and natural gas industry rebounded strongly throughout 2021, with oil prices reaching their highest levels in six years. It is anticipated that the oil and natural gas industry will experience more pressure from investors to take meaningful strides towards combating climate change in the upcoming years, including diversifying their energy portfolios. These events and conditions have caused a significant decrease in the valuation of oil and natural gas companies and a decrease in confidence in the petroleum and natural gas industry. These difficulties have been exacerbated in Canada by government actions and the resultant uncertainty surrounding regulatory, tax and royalty changes that has been and may continue to be implemented by the federal government. In addition, the inability to get the necessary approvals to build pipelines and other facilities to provide better access to markets for the oil and gas industry in western Canada has led to additional uncertainty and reduced confidence in the oil and gas industry. See "*Information Concerning the Oil and Natural Gas Industry - Royalties and Incentives*", "*Information Concerning the Oil and Natural Gas Industry - Climate Change Regulation*".

Lower commodity prices may also affect the volume and value of the Corporation's reserves especially as certain reserves become uneconomic. In addition, lower commodity prices have reduced, and are anticipated to continue to reduce the Corporation's cash flow which could result in a reduced capital expenditure budget. As a result, the Corporation may not be able to replace its production with additional reserves and both the Corporation's production and reserves could be reduced on a year over year basis. See "*Risk Factors - Reserves Estimates*".

A prolonged period of adverse market conditions may impede the Corporation's ability to refinance the Senior Secured Term Loan or arrange alternative financing when the Senior Secured Term Loan becomes due or if the lending limits under the Senior Secured Term Loan are reduced upon periodic review. Given the current market conditions and the lack of confidence in the Canadian oil and natural gas industry, the Corporation may have difficulty raising additional funds in the future or if it is able to do so, it may be on unfavourable and highly dilutive terms. If these conditions persist, Saturn's cash flow may not be sufficient to continue to fund operations and to satisfy obligations when due and will require additional equity or debt financing and/or proceeds from asset sales. There can be no assurance that such equity or debt financing will be available on terms that are satisfactory or at all. Similarly, there can be no assurance that the Corporation will be able to realize any or sufficient proceeds from asset sales to discharge its obligations. See "*Risk Factors - Credit Facility Risk*".

Commodity Prices, Markets and Marketing

Saturn's results of operations and financial condition are dependent upon the prices that it receive for the oil, NGLs and natural gas that it sells. Historically, the oil, NGL and natural gas markets have been volatile and are likely to continue to be volatile in the future. Oil, NGL and natural gas prices have fluctuated widely during recent years and are subject to fluctuations in response to changes in supply, demand, market uncertainty and other factors that are beyond Saturn's control. These factors include, but are not limited to:

- the impact of regional and/or global health related events, such as the ongoing COVID-19 pandemic, on economic activity levels and energy demand;
- global energy policy, including the ability of OPEC (and in particular the Kingdom of Saudi Arabia) and other oil and natural gas exporting nations (and in particular Russia) to set and maintain production levels and influence prices for oil;
- the limitations on the ability of Western Canadian energy producers to export oil, NGLs and natural gas to U.S. markets and other world markets and the resulting discount that Western Canadian energy producers may receive for their products as compared to U.S. and international benchmark commodity prices;
- the availability of transportation infrastructure, and in particular:
 - our ability to acquire capacity in pipelines that deliver oil, NGLs and natural gas to commercial markets or alternatively contract for the delivery of our products by rail;

- deliverability uncertainties related to the distance of our production from existing pipelines, railway lines, and processing and storage facilities; and
- operational problems affecting the pipelines, railway lines and processing and storage facilities on which we rely;
- increased growth of shale oil and natural gas production in the U.S.;
- production and storage levels of oil, NGLs and natural gas;
- existing and threatened political instability and hostilities in commodity producing regions such as the Middle East, Northern Africa, Russia and elsewhere;
- sanctions imposed on certain oil producing nations (such as Russia) by other countries;
- foreign supply of, and demand for, oil, NGLs and natural gas, including liquefied natural gas;
- weather conditions;
- the overall economic and political environment in Canada, the U.S., Europe, China, Russia, emerging markets and globally;
- the overall level of energy demand;
- government regulation relating to prices, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business;
- currency exchange rates, interest rates and inflation rates;
- the effect of worldwide environmental and/or energy conservation measures;
- the price and availability of alternative energy supplies; and
- the advent of new technologies.

Saturn makes price assumptions that are used for planning purposes, and a significant portion of its cash outflows, including capital and transportation commitments, are largely fixed in nature. Accordingly, if commodity prices are below the expectations on which these commitments were based, Saturn's financial results are likely to be adversely and disproportionately affected because these cash outflows are not variable in the short term and cannot be quickly reduced to respond to unanticipated decreases in commodity prices. Saturn's risk management arrangements will not fully mitigate the effects of price volatility.

Alternatives to, and Changing Demand for, Petroleum Products

Fuel conservation measures, alternative fuel requirements, electric vehicle mandates, increasing consumer demand for alternatives to oil and natural gas and technological advances in fuel economy and energy generation devices could reduce the demand for oil, natural gas and other hydrocarbons. Recently, certain jurisdictions have implemented policies or incentives to decrease the use of fossil fuels and encourage the use of renewable fuel alternatives (including electric vehicles), which may lessen the demand for petroleum products and put downward pressure on commodity prices. In addition, advancements in energy efficient products have a similar effect on the demand for oil and natural gas products. Saturn cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a negative effect on Saturn's business, financial condition, results of operations and funds flow by decreasing its profitability, increasing its costs, limits its access to capital and decreasing the value of its assets.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Our long-term commercial success depends on our ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, our existing reserves, and the production from them, will decline over time as we produce from such reserves. A future increase in our reserves will depend on both our ability to explore and develop our existing properties and on our ability to select and acquire suitable producing properties or prospects. There is no assurance that we will be able to continue to find satisfactory properties to acquire or participate in. Moreover, our management may determine that current markets, terms of acquisition, participation or pricing conditions make potential

acquisitions or participation uneconomic. There is also no assurance that we will discover or acquire further commercial quantities of oil and natural gas.

Future oil and natural gas exploration may involve unprofitable efforts from dry wells or from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, completing (including hydraulic fracturing), operating and other costs. Completion of a well does not ensure a profit on the investment or recovery of drilling, completion and operating costs.

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations and adversely affect the production from successful wells. Adverse field conditions include, but are not limited to, delays in obtaining governmental approvals or consents, shut-ins of wells resulting from extreme weather conditions, insufficient storage or transportation capacity or geological and mechanical conditions. While diligent well supervision, effective maintenance operations and the development of enhanced oil recovery technologies can contribute to maximizing production rates over time, it is not possible to eliminate production delays and declines from normal field operating conditions, which can negatively affect revenue and funds flow levels to varying degrees.

Restrictions on the availability and cost of materials and equipment may impede our exploration, development, and operating activities as crude oil and natural gas exploration, development, and operating activities are dependent on the availability and cost of specialized materials and equipment (typically leased from third parties) in the areas where such activities are conducted. The availability of such material and equipment is limited. An increase in demand or cost, or a decrease in the availability of such materials and equipment, may impede our exploration, development, and operating activities.

We utilize multi-well pad drilling where practicable. Wells drilled on a pad are not placed on production until all wells on the pad are drilled and completed. In addition, problems affecting a single well could adversely affect production from all of the wells on the pad. As a result, multi-well pad drilling can cause delays in the scheduled commencement of production, or interruption in ongoing production. These delays or interruptions may cause volatility in our operating results.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including, but not limited to, fire, explosion, blowouts, cratering, sour gas releases, spills and other environmental hazards. These typical risks and hazards could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment and cause personal injury or threaten wildlife. An unintentional leak of sour gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to us.

Oil and natural gas production operations are also subject to geological and seismic risks, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on our business, financial condition, results of operations and prospects.

As is standard industry practice, we are not fully insured against all risks, nor are all risks insurable. Although we maintain liability insurance and business interruption insurance in an amount that we consider consistent with industry practice, liabilities associated with certain risks could exceed policy limits or not be covered. In either event, we could incur significant costs.

Development of Additional Reserves

The Corporation's future success is dependent upon its ability to explore, develop or acquire additional oil and natural gas reserves that are economically recoverable at attractive acquisition prices. Except to the extent that the Corporation conducts successful activities or acquires properties containing proved reserves, or both, the proved

reserves and production will generally decline as reserves are produced. If prevailing oil and natural gas prices were to increase significantly, the Corporation's costs to add reserves could be expected to increase. The drilling of oil and natural gas wells involves a high degree of risk, especially the risk of a dry hole or of a well that is not sufficiently productive to provide an economic return on the capital expended to drill the well.

Exploitation and development risks are due to the uncertain results of searching for and producing oil and natural gas using imperfect scientific methods. These risks are mitigated by using highly skilled staff, focusing exploitation efforts in areas in which the Corporation has existing knowledge and expertise or access to such expertise, using up-to-date technology to enhance methods and controlling costs to maximize returns. Advanced oil and natural gas related technologies such as three-dimensional seismography, reservoir simulation studies and horizontal drilling may, where appropriate, may be used by the Corporation to improve its ability to find, develop and produce oil and natural gas.

Political Uncertainty

Saturn's results can be adversely impacted by political, legal, or regulatory developments in Canada and elsewhere that affect local operations and local and international markets. Changes in government, government policy or regulations, changes in law or interpretation of settled law, third-party opposition to industrial activity generally or projects specifically and duration of regulatory reviews could impact the Corporation's existing operations and planned projects. This includes actions by regulators or other political actors to delay or deny necessary licenses and permits for the Corporation's activities or restrict the operation of third-party infrastructure that the Corporation relies on. Additionally, changes in environmental regulations, assessment processes or other laws, while increasing and expanding stakeholder consultation (including Indigenous stakeholders), may increase the cost of compliance or reduce or delay available business opportunities and adversely impact Saturn's results.

Other government and political factors that could adversely affect the Corporation's financial results include increases in taxes or government royalty rates (including retroactive claims) and changes in trade policies and agreements. Further, the adoption of regulations mandating efficiency standards and mandating the sale of electric vehicles, and the use of alternative fuels or uncompetitive fuel components, could affect the demand for Saturn's products. Many governments are providing tax advantages and other subsidies to support alternative energy sources or are mandating the use of specific fuels, technologies or electric vehicles. Governments and others are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources, and the success of these initiatives may decrease demand for Saturn's products.

A change in federal, provincial or municipal governments in Canada may have an impact on the directions taken by such governments on matters that may impact the oil and natural gas industry including the balance between economic development and environmental policy. The oil and natural gas industry has become an increasingly politically polarizing topic in Canada, which has resulted in a rise in civil disobedience surrounding oil and natural gas development—particularly with respect to infrastructure projects. Protests, blockades, demonstrations and vandalism have the potential to delay and disrupt our activities. See "*Information Concerning the Oil and Natural Gas Industry – Transportation Constraints, Pipeline Capacity and Market Access*".

Geopolitical Risks

The marketability and price of oil and natural gas that may be acquired or discovered by Saturn is and will continue to be affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising outside of Canada, including changes in political regimes or parties in power, may have a significant impact on the price of crude oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of Saturn's net production revenue.

The level of geo-political risk escalates at certain points in time. While the specific impact on the global economy would depend on the nature of the event, in general, any major event could result in instability and volatility.

Current areas of concern include: global uncertainty and market repercussions due to the spread of COVID-19; Russia's military invasion of Ukraine; and rising civil unrest and activism globally.

Title

Although satisfactory title reviews of the Corporation's properties are conducted in accordance with industry standards, those title reviews do not guarantee or certify that a defect in the chain of title may not arise to defeat the claim of the Corporation to a property.

If a defect exists in the chain of title or in Saturn's right to produce, or a legal challenge or legislative change arises, it is possible that it may lose all, or a portion of, the properties to which the title defect relates and/or Saturn's right to produce from such properties. This may have a material adverse effect on Saturn's business, financial condition, results of operations and prospects.

Environmental Concerns and Regulation

The operation of oil and natural gas wells involves a number of natural hazards which may result in blowouts, environmental damage or other unexpected or dangerous conditions resulting in liability to the Corporation and possibly liability to third parties. Corporations operating in the oil and natural gas industry are subject to extensive environmental regulation pursuant to a variety of federal, provincial and municipal laws which provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain oil and natural gas industry operations. In addition, legislation requires that well and facility sites be abandoned and reclaimed to the satisfaction of provincial authorities. A breach of such legislation may result in fines or the issuance of clean-up orders.

Compliance with environmental legislation can require significant expenditures and a breach of such legislation may result in suspension or revocation of necessary licenses and authorization, civil liability for pollution damage and the imposition of fines or other penalties, some of which may be material, as well as the responsibility to remedy environmental problems caused by Saturn's operations. Should Saturn be unable to fully fund the cost of remedying an environmental problem, Saturn might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liabilities and the potential for increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require Saturn to incur costs to remedy such discharge. Although Saturn believes that it is in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect Saturn's financial condition, results of operations or prospects.

The Corporation will make reasonable provision for well abandonment and reclamation where appropriate; however, there can be no assurance that such provision will be sufficient to satisfy all such obligations. No sinking fund or reserve has been or will be established for the purpose of site reclamation or abandonment costs.

See "*Information Concerning the Oil and Natural Gas Industry – Regulatory Authorities and Environmental Regulation*".

Regulatory

Oil and natural gas operations (exploration, development, production, pricing, marketing, transportation, infrastructure and mergers and acquisitions) are subject to extensive controls and regulations imposed by various levels of government, which controls and regulations may be amended from time to time.

Governments may regulate or intervene with respect to prices, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for natural gas and crude oil and increase the Corporation's costs, any of which may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. In addition, obtaining certain approvals from regulatory authorities can involve, among other things, stakeholder and Indigenous consultation, environmental impact assessments, and public hearings. Regulatory approvals obtained may be subject to the satisfaction of certain conditions including, but not limited to: security deposit obligations; ongoing regulatory oversight of projects; mitigating or avoiding project impacts; environmental and habitat assessments; and other commitments or obligations. Further, the ongoing third party challenges to regulatory decisions or orders have reduced the efficiency of the regulatory regime, as the implementation of the decisions and orders has been delayed resulting in uncertainty and interruption to the business of the oil and natural gas industry. See *"Information Concerning the Oil and Natural Gas Industry - Government Regulation"*.

Royalty Regimes

There can be no assurance that the governments in the jurisdictions in which we have assets will not adopt new royalty regimes, or modify the existing royalty regimes, which may have an impact on the economics of our projects. An increase in royalties would reduce our earnings and could make future capital investments, or our operations, less economic. See *"Information Concerning the Oil and Natural Gas Industry – Royalties and Incentives"*.

Hydraulic Fracturing

Hydraulic fracturing involves the injection of water, sand, and small amounts of additives under high pressure into tight rock formations that were previously unproductive to stimulate the production of oil, liquids and natural gas. Concerns about seismic activity, including earthquakes, caused by hydraulic fracturing has resulted in regulatory authorities implementing additional protocols for areas that are prone to seismic activity or completely banning hydraulic fracturing in other areas. Any new laws, regulations, or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating costs, third-party or governmental claims, and could increase our costs of compliance and doing business, as well as delay the development of oil, liquids and natural gas resources from shale formations, which are not commercial without the use of hydraulic fracturing. Restrictions or bans on hydraulic fracturing in the areas where we operate could reduce the amount of oil and gas that we are ultimately able to produce from our reserves and/or could result in us being unable to economically recover certain of our oil and gas reserves, which in either case could result in a significant decrease in the value of our assets.

Water is an essential component of our drilling and hydraulic fracturing processes. Limitations or restrictions on our ability to secure sufficient amounts of water (including limitations resulting from natural causes such as drought), could materially and adversely impact our operations. Severe drought conditions can result in local water authorities taking steps to restrict the use of water in their jurisdiction for drilling and hydraulic fracturing in order to protect the local water supply. If we are unable to obtain water to use in our operations from local sources, it may need to be obtained from new sources and transported to drilling sites, resulting in increased costs, which could have a material adverse effect on our financial condition, results of operations, and funds flow.

In addition, we must dispose of the fluids produced from oil, liquids and natural gas production operations, including produced water, which we do directly or through the use of third-party vendors. The legal requirements related to the disposal of produced water into a non-producing geologic formation by means of underground injection wells are subject to change based on concerns of the public or governmental authorities regarding such disposal activities. Government authorities may issue orders to temporarily shut down or to curtail the injection depth of existing wells in the vicinity of seismic events.

Another consequence of seismic events may be lawsuits alleging that disposal well operations have caused damage to neighboring properties or otherwise violated laws and regulations regarding waste disposal. These developments could result in additional regulation and restrictions on the use of injection wells by us or by commercial disposal well vendors that we may use from time to time to dispose of produced water. Increased regulation and attention given to induced seismicity could also lead to greater opposition, including litigation to limit or prohibit oil and natural gas activities utilizing injection wells for produced water disposal. Any one or more of these developments may result in us or our vendors having to limit disposal well volumes, disposal rates and pressures or locations, or require us or our vendors to shut down or curtail the injection of produced water into disposal wells, which events could have a material adverse effect on our business, financial condition, and results of operations.

Climate Change

Global climate issues continue to attract public and scientific attention. Numerous reports, including reports from the Intergovernmental Panel on Climate Change, have engendered concern about the impacts of human activity, especially hydrocarbon combustion, on global climate issues. In turn, increasing public, government, and investor attention is being paid to global climate issues and to emissions of GHG, including emissions of carbon dioxide and methane from the production and use of oil, liquids and natural gas. The majority of countries across the globe, including Canada, have agreed to reduce their carbon emissions in accordance with the Paris Agreement. See "*Information Concerning the Oil and Natural Gas Industry - Climate Change Regulation*" for a summary of Canada's subsequent actions and pledges aimed at reducing Canada's GHG emissions and environmental impact. As discussed below, we face both transition risks and physical risks associated with climate change and climate change policy and regulations.

Transition risks

Foreign and domestic governments continue to evaluate and implement policy, legislation, and regulations focused on restricting emissions commonly referred to as GHG emissions and promoting adaptation to climate change and the transition to a low-carbon economy. It is not possible to predict what measures foreign and domestic governments may implement in this regard, nor is it possible to predict the requirements that such measures may impose or when such measures may be implemented. However, international multilateral agreements, the obligations adopted thereunder and legal challenges concerning the adequacy of climate-related policy brought against foreign and domestic governments may accelerate the implementation of these measures. Given the evolving nature of climate change policy and the control of GHG emissions and resulting requirements, including carbon taxes and carbon pricing schemes implemented by varying levels of government, it is expected that current and future climate change regulations will have the effect of increasing our operating expenses, and, in the long-term, potentially reducing the demand for oil, liquids, natural gas and related products, resulting in a decrease in our profitability and a reduction in the value of our assets.

Claims have been made against certain energy companies alleging that GHG emissions from oil and natural gas operations constitute a public nuisance under certain laws or that such energy companies provided misleading disclosure to the public and investors of current or future risks associated with climate change. As a result, individuals, government authorities, or other organizations may make claims against oil and natural gas companies, including us, for alleged personal injury, property damage, or other potential liabilities. While we are not a party to any such litigation or proceedings, we could be named in actions making similar allegations. An unfavorable ruling in any such case could adversely affect the demand for and price of our securities, impact our operations and have an adverse impact on our financial condition.

Given the perceived elevated long-term risks associated with policy development, regulatory changes, public and private legal challenges, or other market developments related to climate change, there have also been efforts in recent years affecting the financial community, including investment advisors, sovereign wealth funds, banks,

public pension funds, universities and other institutional investors, promoting direct engagement and dialogue with companies in their portfolios on climate change action (including exercising their voting rights on matters relating to climate change) and increased capital allocation to investments in low-carbon assets and businesses while decreasing the carbon intensity of their portfolios through, among other measures, divestments of companies with high exposure to GHG-intensive operations and products. Certain stakeholders have also pressured insurance providers and commercial and investment banks to reduce or stop financing, and providing insurance coverage to oil and natural gas and related infrastructure businesses and projects. The impact of such efforts require our management to dedicate significant time and resources to these climate change-related concerns, may adversely affect our operations, the demand for and price of our securities and may negatively impact our cost of capital and access to the capital markets.

Emissions, carbon and other regulations impacting climate and climate-related matters are constantly evolving. We are committed to reporting on our sustainability performance, and consider existing standards such as the Global Reporting Initiative Sustainability Reporting Standards, the Sustainability Accounting Standards Board Oil & Gas – Exploration & Production standard, and recommendations issued by the Task Force on Climate-Related Financial Disclosures. In addition, the Canadian Securities Administrators have published for comment the proposed National Instrument 51-107 – *Disclosure of Climate Related Matters*, which is intended to introduce climate-related disclosure requirements for reporting issuers in Canada with limited exceptions. If we are not able to meet future sustainability reporting requirements of regulators or current and future expectations of investors, insurance providers, or other stakeholders, our business and ability to attract and retain skilled employees, obtain regulatory permits, licences, registrations, approvals, and authorizations from various governmental authorities, and raise capital may be adversely affected. See "*Information Concerning the Oil and Natural Gas Industry – Climate Change Regulation*".

Physical Risks

The potential physical risks resulting from climate change are long-term in nature and associated with a high degree of uncertainty regarding timing, scope, and severity of potential impacts. We do not conduct fundamental research regarding the scientific inquiry of climate change. Many experts believe global climate change could increase extreme variability in weather patterns such as increased frequency of severe weather, rising mean temperature and sea levels, and long-term changes in precipitation patterns. Extreme hot and cold weather, heavy snowfall, heavy rainfall, and wildfires may restrict our ability to access our properties and cause operational difficulties, including damage to equipment and infrastructure. Extreme weather also increases the risk of personnel injury as a result of dangerous working conditions. Certain of our assets are located in locations that are proximate to forests and rivers and a wildfire or flood may lead to significant downtime and/or damage to our assets or cause disruptions to the production and transport of our products or the delivery of goods and services in our supply chain.

Volatility of Market Price of Securities

The trading price of securities of oil and natural gas issuers is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of the issuers involved. The volatility may affect the ability of holders to sell the Common Shares, 2021 Warrants, March 2022 Warrants or July 2022 Warrants at an advantageous price. Factors unrelated to the Corporation's performance could include macroeconomic developments nationally, within North America or globally, domestic and global commodity prices and/or current perceptions of the crude oil and natural gas market. This includes, but is not limited to, changing and in some cases, negative investor sentiment towards energy-related businesses. In recent years, the volatility of oil and natural gas commodity prices, and the securities of issuers involved in the crude oil and natural gas business, has increased due, in part, to the implementation of computerized trading and the decrease of discretionary commodity trading. Similarly, recent market prices in the securities of crude oil and natural gas issuers relative to other industry sectors have led to lower crude oil and natural gas representation in certain key equity market indices. The volatility, trading volume and market price of crude oil and natural gas have been impacted by increasing

investment levels in passive funds that track major indices and only purchase securities included in such indices and subsequently dispose of those securities if they are excluded from such indices. In addition, many institutional investors, pension funds and insurance companies, including government sponsored entities, have implemented investment strategies increasing their investments in low-carbon assets and businesses while decreasing the carbon intensity of their portfolios through, among other measures, divestments. These factors have impacted the volatility and liquidity of certain securities and put downward pressure on the market price of those securities. Similarly, the market price of the Common Shares, 2021 Warrants, March 2022 Warrants or July 2022 Warrants could be subject to significant fluctuations in response to variations in the Corporation's operating results, financial condition, liquidity and other internal factors. Accordingly, the price at which the Common Shares, 2021 Warrants, March 2022 Warrants or July 2022 Warrants will trade cannot be accurately predicted.

Similarly, the market price of the Common Shares, 2021 Warrants, March 2022 Warrants or July 2022 Warrants may be due to Saturn's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by Saturn or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Forward-looking Statements*". In addition, in recent years the market price for securities in the stock markets, including the TSXV, experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Common Shares, 2021 Warrants, March 2022 Warrants or July 2022 Warrants. Accordingly, the price at which the Common Shares, 2021 Warrants, March 2022 Warrants or July 2022 Warrants will trade cannot be accurately predicted.

Reserves Estimates

There are numerous uncertainties inherent in estimating reserves and the future net revenues attributed to such reserves. The reserves and associated net revenue information set forth in this Annual Information Form are estimates only. Generally, estimates of economically recoverable oil and natural gas reserves (including the breakdown of reserves by product type) and the future net revenues from such estimated reserves are based upon a number of variable factors and assumptions, such as:

- commodity prices;
- historical production from properties;
- production rates and estimated production decline rates;
- estimated ultimate reserve recovery;
- changes in technology;
- timing, amount and effectiveness of future capital expenditures;
- marketability of oil, NGLs and natural gas;
- royalty rates; and
- the assumed effects of regulation by governmental agencies and future operating costs (all of which may vary materially from actual results).

For those reasons, estimates of proved and provable reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material. Many of Saturn's producing wells have a limited production history and thus there is less historical production on which to base the reserves estimates. In addition, a significant portion of Saturn's reserves may be attributable to a limited number of wells and, therefore, a variation in production results or reservoir characteristics in respect of such wells may have a significant impact upon Saturn's reserves.

In accordance with applicable securities laws, the Corporation's independent reserves consultants have used both constant and forecast price and cost estimates in calculating reserves quantities for the Corporation's reserves. See "*Statement of Reserves Data and Other Oil and Gas Information – Pricing Assumptions*". Actual future net cash flows will be affected by other factors such as actual production levels, supply and demand for oil, NGL and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs. Actual production and cash flows derived therefrom will vary from the estimates contained in the applicable engineering reports. The 2022 Reserves Report is based in part on the assumed success of activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in the 2022 Reserves Report will be reduced to the extent that such activities are not undertaken or, if undertaken, do not achieve the level of success assumed in the 2022 Reserves Report. The 2022 Reserves Report is effective as of December 31, 2022, with a preparation date of February 21, 2023, and, except as may be specifically stated or required by applicable securities laws, has not been updated and, therefore, does not reflect changes in reserves since that date.

Purchase of Reserves

Acquisitions of resource issuers and resource assets by the Corporation will be based on engineering and economic assessments made by management and reviewed by independent engineers. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, future prices of oil and natural gas and operating costs, future capital expenditures and royalties and other governmental levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the control of the Corporation. In particular, changes in the prices of and markets for oil and natural gas from those anticipated at the time of making such assessments will affect the value of the Corporation's securities. In addition, all such assessments involve a measure of geological and engineering uncertainty which could result in lower production and reserves than anticipated.

Depletion of Reserves

The Corporation's future oil and natural gas reserves and production, and therefore its cash flows, will be highly dependent on the Corporation's success in exploiting its reserve base and acquiring additional reserves. Without reserve additions through acquisition or development activities, the Corporation's reserves and production will decline over time as reserves are exploited, and from time-to-time production declines can be severe under certain conditions.

To the extent that external sources of capital, including the issuance of additional Common Shares, become limited or unavailable, the Corporation's ability to make the necessary capital investments to maintain or expand its oil and natural gas reserves will be impaired.

There can be no assurance that the Corporation will be successful in developing or acquiring additional reserves on terms that meet the Corporation's investment objectives.

Foreign Exchange

Operating costs incurred by the Corporation are generally paid in Canadian dollars. World oil prices are quoted in United States dollars and the price received by Canadian producers is therefore affected by the Canadian/United States dollar exchange rate that may fluctuate over time. A material increase in the value of the Canadian dollar may negatively impact the Corporation's net production revenue. To the extent that the Corporation has engaged or will in the future engage in risk management activities related to commodity prices and foreign exchange rates, through entry into oil and natural gas price hedges and forward foreign exchange contracts or otherwise, the Corporation will be subject to unfavourable price changes and credit risks associated with the counterparties with which it contracts.

Potential Conflicts of Interest

Some of the directors of the Corporation are also directors of other oil and natural gas companies, which may from time to time be in competition with the Corporation for working interest partners, property acquisitions, or other limited resources. Where required by law, appropriate disclosure of such conflicts will be made by the applicable directors. In particular, the Corporation follows the provisions of the *Business Corporations Act* (Saskatchewan) (the "SBCA"). These provisions state that in the event that a director has an interest in a contract or proposed contract or agreement, such director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise permitted by the SBCA.

Competition

The oil and natural gas industry is intensely competitive and the Corporation will compete for joint venture partners, capital, reserves acquisitions and skilled industry personnel with a substantial number of other companies which have greater resources. Many such companies not only explore for and produce oil and natural gas, but also carry on refining operations and market petroleum and other products on a worldwide basis and as such have greater and more diverse resources upon which to draw. There is also competition between the oil industry and other industries with respect to the supply of energy and fuel to industrial, commercial and individual customers.

Liability Management

Alberta, Saskatchewan and British Columbia have developed liability management programs designed to prevent taxpayers from incurring costs associated with suspension, abandonment, remediation and reclamation of wells, facilities and pipelines in the event that a licensee or permit holder is unable to satisfy its regulatory obligations. Changes to the requirements of liability management programs may result in significant increases to our compliance obligations. The impact and consequences of the Supreme Court of Canada's decision in Redwater on the energy regulators' rules and policies, lending practices in the crude oil and natural gas sector and on the nature and determination of secured lenders to take enforcement proceedings are expected to evolve as the consequences of the decision are evaluated and considered by regulators, lenders and receivers/trustees. In addition, provincial liability management programs may prevent or interfere with our ability to acquire or dispose of assets, as both the vendor and the purchaser of oil and natural gas assets must be in compliance with the liability management programs (both before and after the transfer of the assets) for the applicable regulatory agency to allow for the transfer of such asset. See "*Information Concerning the Oil and Natural Gas Industry – Liability Management Rating Programs*".

Changes in Legislation

There can be no assurance that income tax laws, other laws or government incentive programs relating to the oil and gas industry, will not be changed in a manner which will adversely affect the Corporation. There can be no assurance that tax authorities having jurisdiction will agree with how the Corporation calculates its income for tax purposes or that such tax authorities will not change their administrative practices to the detriment of the Corporation.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

Saturn makes acquisitions and dispositions of businesses and assets in the ordinary course of business. Acquisitions of oil and natural gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquirer, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and natural gas and operating costs, future capital expenditures and royalties and other government levies

which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the control of Saturn. All such assessments involve a measure of geologic, engineering, facility operations, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated.

Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as Saturn's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Corporation. The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters, and may also result in the loss of key employees, the disruption of ongoing business, supplier, customer and employee relationships and deficiencies in internal controls or information technology controls. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, non-core assets are periodically disposed of so that Saturn can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of Saturn, if disposed of, could be expected to realize less than their carrying value on the financial statements of the Corporation.

Incorrect Assessment of the Value of Acquisitions

Acquisitions of oil and natural gas properties or companies will be based in part on engineering and economic assessments made by independent engineers. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, future prices of oil and natural gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond our control. All such assessments involve a measure of geological and engineering uncertainty that could result in lower production and reserves than anticipated. If actual reserves or production are less than we expect, our revenues and consequently the value of our Common Shares could be negatively affected.

Substantial Capital Requirements

The Corporation anticipates that it will make substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If the Corporation's revenues or reserves decline, the Corporation may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Corporation. Moreover, future activities may require the Corporation to alter its capitalization significantly, including transactions involving the issuance of securities, which may be dilutive. The inability of the Corporation to access sufficient capital for its operations could have a material adverse effect on the Corporation's financial condition, results of operations or prospects.

Additional Funding Requirements

The Corporation's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times and from time to time, the Corporation may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. There is risk that if the economy and banking industry experience unexpected and/or prolonged deterioration, the Corporation's access to additional funding may be required.

Because of global economic volatility and political uncertainty, the Corporation may from time to time have restricted access to capital and increased borrowing costs. Failure to obtain such financing on a timely basis could cause the Corporation to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Corporation's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect the Corporation's ability to expend the necessary capital to replace

its reserves or to maintain its production. To the extent that external sources of capital become limited, unavailable or available on onerous terms, the Corporation's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be affected materially and adversely as a result. In addition, the future development of the Corporation's petroleum properties may require additional financing and there no assurances that such financing will be available or, if available, will be available upon acceptable terms. Failure to obtain any financing necessary for the Corporation's capital expenditure plans may result in a delay in development or production of the Corporation's properties.

Dilution

The Corporation may make future acquisitions or enter into financings or other transactions involving the issuance of securities of Saturn which may be dilutive.

Indebtedness and Issuance of Debt

From time to time, Saturn may acquire assets or the shares of others or otherwise finance its ongoing operations using debt, including amend the Senior Secured Term Loan, which may increase the amount of interest payable by the Corporation from time to time until such indebtedness is repaid and to levels above industry standards. Such event will represent an increase in the Corporation's interest costs and a potential reduction in the Corporation's net income. In addition, the Corporation may need to find additional sources of financing to repay any such additional indebtedness when it becomes due. There can be no guarantee that the Corporation will be able to obtain financing on terms acceptable to it or at all at such time.

Further, a significant decrease in oil and natural gas prices, hedging losses or lower than expected production from Saturn's properties may cause the Corporation's debt-to-cash ratio to rise above its peer standards. The level of Saturn's indebtedness or debt-to-cash flow ratio from time to time could impair Saturn's ability to obtain additional financing in the future on a timely basis and could affect the market price of Saturn's securities.

Credit Facility Risk

The amount authorized under the Senior Secured Term Loan is a fixed amount that was determined by the lenders having regard to the Corporation's reserves. The Corporation is required to comply with covenants under the Senior Secured Term Loan, which from time to time either affect the availability, or price, of additional funding, and in the event that the Corporation does not comply therewith its access to capital could be restricted or repayment could be required. The failure of the Corporation to comply with such covenants, which may be affected by events beyond the Corporation's control, could result in the default under the Senior Secured Term Loan, which could result in the Corporation being required to repay amounts owing thereunder. Even if the Corporation is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to the Corporation. If the Corporation is unable to repay amounts owing, the lenders under the Senior Secured Term Loan could proceed to foreclose or otherwise realize upon the collateral granted to them to secure the indebtedness. The acceleration of the Corporation's indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross default or cross-acceleration provisions. In addition, the Senior Secured Term Loan may, from time to time, impose operating and financial restrictions on the Corporation that could include restrictions on, the payment of dividends, repurchase or making of other distributions with respect to the Corporation's securities, incurring of additional indebtedness, provision of guarantees, the assumption of loans, making of capital expenditures, entering into of amalgamations, mergers, take-over bids or disposition of assets, among others.

Insurance

The Corporation's involvement in the exploration for and development of oil and gas properties may result in the Corporation becoming subject to liability for pollution, blow-outs, property damage, personal injury or other

hazards. Although the Corporation has obtained insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, the Corporation may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Corporation. The occurrence of a significant event that the Corporation is not fully insured against, or the insolvency of the insurer, could have a material adverse effect on the Corporation's financial position, results of operations or prospects.

Reliance on Operators and Key Employees

To the extent the Corporation is not the operator of its oil and gas properties, the Corporation will be dependent on such operators for the timing of activities related to such properties and will largely be unable to direct or control the activities of the operators. In addition, the success of the Corporation will be largely dependent upon the performance of its management and key employees. The Corporation does not have any key man insurance policies, and therefore there is a risk that the death or departure of any member of management or any key employee could have a material adverse effect on the Corporation.

Delays in Business Operations

In addition to the usual delays in payments by purchasers of oil and natural gas to the Corporation or to the operators, and the delays by operators in remitting payment to the Corporation, payments between these parties may be delayed due to restrictions imposed by lenders, accounting delays, delays in the sale or delivery of products, delays in the connection of wells to a gathering system, adjustment for prior periods, or recovery by the operator of expenses incurred in the operation of the properties. Any of these delays could reduce the amount of cash flow available for the business of the Corporation in a given period and expose the Corporation to additional third-party credit risks.

Permits and Licences

The operations of the Corporation may require licences and permits from various governmental authorities. There can be no assurance that the issuer will be able to obtain all necessary licences and permits that may be required to carry out exploration and development at its projects.

Indigenous Claims

Indigenous peoples have claimed aboriginal title and rights to portions of western Canada. The Corporation is not aware that any claims have been made in respect of the Corporation's assets, however, if a claim arose and was successful, it could have an adverse effect on the Corporation and its operations.

See "*Information Concerning the Oil and Natural Gas Industry – Indigenous Rights*".

Seasonality

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and potential declines in production of oil and gas of the Corporation.

Income Taxes

The Corporation will file all required income tax returns and believes that it is in full compliance with the provisions of the *Income Tax Act* (Canada) and all applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Corporation, whether by re-characterization of exploration and development expenditures, or otherwise, such reassessment may have a negative impact on current and future taxes payable and such impact may be material.

Hedging

From time to time, we may enter into agreements to receive fixed prices on our oil and natural gas production to offset the risk of revenue losses if commodity prices decline. However, to the extent that we engage in price risk management activities to protect us from commodity price declines, we may also be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk. In addition, our hedging arrangements may expose us to the risk of financial loss in certain circumstances, including instances in which:

- production falls short of the hedged volumes or prices fall significantly lower than projected;
- there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the hedge arrangement;
- the counterparties to the hedging arrangements or other price risk management contracts fail to perform under those arrangements; or
- a sudden unexpected event materially impacts oil and natural gas prices.

Similarly, from time to time, we may enter into agreements to fix the exchange rate of Canadian to United States dollars or other currencies in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to other currencies. However, if the Canadian dollar declines in value compared to such fixed currencies, we will not benefit from the fluctuating exchange rate.

Acquisition Risk

The Corporation may make future acquisitions or enter into financings or other transactions involving issuance of securities of the Corporation which may be dilutive.

Additionally, the oil and gas property acquisition business is highly competitive, and is populated with many companies, large and small, with the capital and expertise to evaluate, purchase, and exploit producing and non-producing opportunities. Even with capital and experience, the industry risks of drilling dry holes and cost overruns are significant. Environmental compliance is an increasingly complex and costly burden to entry for many new exploration areas, and often times, and even if permits are obtained, they are sufficiently restrictive that a property cannot be explored to its full potential. The Corporation may not be able to locate acquisition opportunities, or finance those that the Corporation can. The Corporation offer no assurance that its entry into this business activity will be successful.

Inflation and Cost Management

The Corporation's operating costs could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices and additional government intervention through stimulus spending or additional regulations. Saturn's inability to manage costs may impact project returns and future development decisions, which could have a material adverse effect on the Corporation's financial performance and funds from operations.

The cost or availability of oil and gas field equipment may adversely affect the Corporation's ability to undertake exploration, development and construction projects. The oil and gas industry is cyclical in nature and is prone to shortages of supply of equipment and services including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects and construction materials generally. These materials and services may not be available when required at reasonable prices. A failure to secure the services and equipment necessary to the Corporation's operations for the expected price, on the expected timeline, or at all, may have an adverse effect on its financial performance and funds from operations.

Management of Growth

Saturn may be subject to growth related risks including capacity constraints and pressure on our internal systems and controls. The Corporation's ability to manage growth effectively will require us to continue to implement and improve Saturn's operational and financial systems and to expand, train and manage its employee base. Saturn's inability to deal with this growth may have a material adverse effect on our business, financial condition, results of operations and prospects.

Expiration of Licenses and Leases

Saturn's properties are held in the form of licences and leases and working interests in licences and leases. If the Corporation, or the holder of the licence or lease, fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of our licences or leases or the working interests relating to a licence or lease may have a material adverse effect on our business, financial condition, results of operations and prospects.

Litigation

In the normal course of our operations, we may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions. Potential litigation may develop in relation to personal injuries (including resulting from exposure to hazardous substances, property damage, property taxes, land and access rights, environmental issues, including claims relating to contamination or natural resource damages and contract disputes). The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to us and could have a material adverse effect on our assets, liabilities, business, financial condition and results of operations. Even if we prevail in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from business operations, which could have an adverse affect on our financial condition.

Third Party Credit Risk

The Corporation is or may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Corporation, such failures could have a material adverse effect on the Corporation and its cash flow from operations.

Carbon Pricing Risk

The majority of countries across the globe have agreed to reduce their carbon emissions in accordance with the Paris Agreement. See "*Information Concerning the Oil and Natural Gas Industry – Regulatory Authorities and Environmental Regulation*" and "*Information Concerning the Oil and Natural Gas Industry – Climate Change Regulation*". In Canada, the federal and certain provincial governments have implemented legislation aimed at incentivizing the use of alternative fuels and in turn reducing carbon emissions. The taxes placed on carbon

emissions may have the effect of decreasing the demand for oil and natural gas products and at the same time, increasing our operating expenses, each of which may have a material adverse effect on our profitability and financial condition. Further, the imposition of carbon taxes puts us at a disadvantage with our counterparts who operate in jurisdictions where there are less costly carbon regulations.

Reputational Risk Associated with Our Operations

The Corporation's business, operations or financial condition may be negatively impacted as a result of any negative public opinion towards us or as a result of any negative sentiment toward, or in respect of, Saturn's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the industry in which the Corporation operate as well as their opposition to certain oil and natural gas projects. Potential impacts of negative public opinion or reputational issues may include delays or interruptions in operations, legal or regulatory actions or challenges, blockades, increased regulatory oversight, reduced support for, delays in, challenges to, or the revocation of regulatory approvals, permits and/or licenses and increased costs and/or cost overruns. The Corporation's reputation and public opinion could also be impacted by the actions and activities of other companies operating in the oil and natural gas industry, particularly other producers, over which Saturn has no control. Similarly, the Corporation's reputation could be impacted by negative publicity related to environmental damage, loss of life, injury or damage to property and environmental damage caused by Saturn's operations, or due to opposition from special interest groups opposed to oil and natural gas development. In addition, if the Corporation develops a reputation of having an unsafe work site it may impact its ability to attract and retain the necessary skilled employees and consultants to operate Saturn's business. Opposition from special interest groups opposed to oil and natural gas development and the possibility of climate related litigation against governments and fossil fuel companies may impact our reputation. See "*Risk Factors – Climate Change*".

Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, regulatory and legal risks, among others, must all be managed effectively to safeguard our reputation. Damage to our reputation could result in negative investor sentiment towards us, which may result in limiting our access to capital, increasing the cost of capital, and decreasing the price and liquidity of our Common Shares.

Non-Governmental Organizations and Eco-Terrorism Risks

The oil and natural gas exploration, development and operating activities conducted by us may, at times, be subject to public opposition. Such public opposition could expose us to the risk of higher costs, delays or even project cancellations due to increased pressure on governments and regulators by special interest groups including Indigenous groups, landowners, environmental interest groups (including those opposed to oil and natural gas production operations) and other non-governmental organizations, blockades, legal or regulatory actions or challenges, increased regulatory oversight, reduced support of the federal, provincial or municipal governments, delays in, challenges to, or the revocation of regulatory approvals, permits and/or licenses, and direct legal challenges, including the possibility of climate-related litigation. See "*Information Concerning the Oil and Natural Gas Industry – Transportation Constraints, Pipeline Capacity and Market Access*". There is no guarantee that we will be able to satisfy the concerns of the special interest groups and non-governmental organizations and attempting to address such concerns may require us to incur significant and unanticipated capital and operating expenditures.

Changing Investor Sentiment

A number of factors, including the concerns of the effects of the use of fossil fuels on climate change, concerns of the impact of oil and natural gas operations on the environment, concerns of environmental damage relating to spills of petroleum products during transportation and concerns of indigenous rights, have affected certain investors' sentiments towards investing in the oil and natural gas industry. As a result of these concerns, some institutional, retail and public investors have announced that they no longer are willing to fund or invest in oil and

natural gas properties or companies, or are reducing the amount thereof over time. In addition, certain institutional investors are requesting that issuers develop and implement more robust social, environmental and governance policies and practices. Developing and implementing such policies and practices can involve significant costs and require a significant time commitment from our Board, management and employees.

Failing to implement the policies and practices, as requested by institutional investors, may result in such investors reducing their investment in us, or not investing in us at all. Any reduction in the investor base interested or willing to invest in the oil and natural gas industry and more specifically, us, may result in limiting our access to capital, increasing the cost of capital, and decreasing the price and liquidity of our securities even if our operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause a decrease in the value of our assets which may result in an impairment change.

Information Technology Systems and Cyber-Security

We have become increasingly dependent upon the availability, capacity, reliability and security of our information technology infrastructure and our ability to expand and continually update this infrastructure, to conduct daily operations. We depend on various information technology systems to estimate reserve quantities, process and record financial data, manage our land base, manage financial resources, analyze seismic information, administer contracts with operators and lessees and communicate with employees and third-party partners.

Further, we are subject to a variety of information technology and system risks as a part of our normal course operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of our information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to business activities or our competitive position. In addition, cyber phishing attempts, in which a malicious party attempts to obtain sensitive information such as usernames, passwords, and credit card details (and money) by disguising as a trustworthy entity in an electronic communication, have become more widespread and sophisticated in recent years. If we become a victim to a cyber phishing attack it could result in a loss or theft of our financial resources or critical data and information, or could result in a loss of control of our technological infrastructure or financial resources. Our employees are often the targets of such cyber phishing attacks, as they are and will continue to be targeted by parties using fraudulent "spoof" emails to misappropriate information or to introduce viruses or other malware through "Trojan horse" programs to our computers.

We maintain policies and procedures that address and implement employee protocols with respect to electronic communications and electronic devices and conducts annual cyber-security risk assessments. We also employ encryption protection of our confidential information, all computers and other electronic devices. Despite our efforts to mitigate such cyber phishing attacks through education and training, cyber phishing activities remain a serious problem that may damage our information technology infrastructure. We apply technical and process controls in line with industry-accepted standards to protect our information, assets and systems, including a written incident response plan for responding to a cyber-security incident. However, these controls may not adequately prevent cyber-security breaches. Disruption of critical information technology services, or breaches of information security, could have a negative effect on our performance and earnings, as well as our reputation, and any damages sustained may not be adequately covered by our current insurance coverage, or at all. The significance of any such event is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on our business, financial condition and results of operations.

Forward-Looking Information May Prove Inaccurate

Current and prospective investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those

suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found in this Annual Information Form under the heading "*Forward-looking Statements*".

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

The *Statement of Reserves Data and Other Oil and Gas Information* (the "**Statement**") set forth below is dated and prepared on February 21, 2023. The effective date of the Statement is December 31, 2022. All currency values are in Canadian dollars (unless otherwise specified). The Statement does not include the Ridgeback Acquisition which was completed subsequent to year end.

In accordance with the requirements of NI 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"), the tables below summarize the Corporation's oil, natural gas and NGLs reserves and the value of future net cash flows associated with such reserves as at December 31, 2022, and as evaluated and prepared by Ryder Scott Petroleum Consultants ("**Ryder Scott**") independent petroleum engineers of Calgary, Alberta in their report "Estimated Projection of Future Reserves and Income Attributable to Certain Leasehold and Royalty Interests, based on Escalated Parameters as of December 31, 2022" and dated February 21, 2023 (the "**2022 Reserves Report**"). The 2022 Reserves Report has been prepared in accordance with the standards in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "**COGE Handbook**") and the reserves definitions set out by the Canadian Securities Administrators in NI 51-101 and the COGE Handbook. The tables below summarize the data contained in the 2022 Reserves Report and, as a result, may contain slightly different numbers than the 2022 Reserves Report due to rounding. All future cash flows are stated prior to provision for indirect costs and after deduction of royalties, estimated future capital expenditures and well abandonment costs.

It should not be assumed that the undiscounted or discounted net present value of estimated future cash flows shown below is representative of the fair market value of the reserves. There is no assurance that such price and cost assumptions will be attained and variances could be material. The Corporation's crude oil reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil reserves may be greater than or less than the estimates provided. In the various reserves related tables included herein, columns may not add due to rounding. Additional information not required by NI 51-101 has been presented to provide continuity and additional information which Saturn believes is important to the readers of this information.

The Corporation is required to pay royalties to the Crown or other royalty owners and receives royalties from various working interest parties for commodities produced. Crown royalty payments are subject to change and any changes may have an adverse impact on the profitability of a project.

Attached as Schedule "A" to this Annual Information Form is the *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor* in Form 51-101F2 and attached as Schedule "B" is the *Report of Management and Directors on Oil and Gas Disclosure* in Form 51-101F3.

Petroleum and Natural Gas Reserves and Net Present Value

The following table summarizes Ryder Scott's estimates of the Corporation's oil and natural gas reserves at December 31, 2022, based on forecast price assumptions and calculated without discount.

**SUMMARY OF CRUDE OIL, NATURAL GAS AND NATURAL GAS LIQUIDS RESERVES
BASED ON FORECAST PRICES AND COSTS
AS OF DECEMBER 31, 2022**

Reserves Category	Oil				Natural Gas						Natural Gas Liquids		Sulphur (Mlt)		Total MBOE (Mboe)	
	Light, Medium and Shale (Mbbbl)		Heavy Oil (Mbbbl)		Solution (MMscf)		Conventional (MMscf)		Coalbed Methane (MMscf)		Natural Gas Liquids (Mbbbl)		Sulphur (Mlt)		Total MBOE (Mboe)	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proved Developed Producing	27,930	25,845	-	-	7,522	7,070	-	-	-	-	954	888	-	-	30,138	27,911
Proved Developed Non-Producing	34	33	-	-	45	45	-	-	-	-	2	2	-	-	44	43
Proved Undeveloped	11,406	10,348	-	-	4,496	4,197	-	-	-	-	492	451	-	-	12,647	11,499
Total Proved	39,370	36,226	-	-	12,063	11,312	-	-	-	-	1,448	1,341	-	-	42,829	39,453
Probable	18,374	16,756	-	-	6,147	5,794	-	-	-	-	629	578	-	-	20,027	18,300
Total Proved Plus Probable	57,744	52,982	-	-	18,210	17,106	-	-	-	-	2,077	1,919	-	-	62,856	57,752

The following table is a summary of net present values of future net revenues associated with such reserves at December 31, 2022, based on forecast price assumptions before and after deducting income taxes, and calculated without discount and using discount rates of 5%, 10%, 15% and 20%. Future net revenue includes estimated abandonment costs related to wells and production facilities required to produce reserves.

**NET PRESENT VALUE OF FUTURE NET REVENUE
BASED ON FORECAST PRICES AND COSTS
AS OF DECEMBER 31, 2022**

RESERVES CATEGORY ³	BEFORE INCOME TAX (MMS) ²					AFTER INCOME TAX (MMS) ²					UNIT VALUE ¹ BEFORE INCOME TAX DISCOU NTED AT 10%
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	(\$/BOE) ⁴
	PROVED										
Developed Producing	856.6	896.9	791.5	698.6	626.6	630.1	693.6	614.8	542.1	485.4	28.36
Developed Non-Producing	2.4	1.8	1.4	1.2	1.0	1.8	1.4	1.1	0.9	0.7	33.26
Undeveloped	451.4	323.2	238.5	180.7	139.9	332.0	249.9	185.2	140.2	108.4	20.74

TOTAL PROVED	1,310.4	1,221.8	1,031.4	880.5	767.5	963.9	944.9	801.1	683.2	594.6	26.14
PROBABLE	1,001.5	578.2	370.4	256.2	187.7	750.4	423.7	266.8	181.9	131.7	20.24
TOTAL PROVED PLUS PROBABLE	2,311.9	1,800.1	1,401.8	1,136.7	955.2	1,714.4	1,368.7	1,067.9	865.1	726.3	24.27

Notes:

- (1) The unit values are based on net reserves
- (2) All values presented are in Canadian Dollars (CDN)
- (3) See definitions of "proved" and "probable" reserves under "*Definitions and Additional Notes to Reserves Data Tables*" below.
- (4) See information related to BOE conversion ratio under "*Abbreviations*".

The following table sets forth elements of future net revenue attributed to Proved Reserves and Proved Plus Probable Reserves of the Corporation as of December 31, 2022, based on forecast price assumptions and calculated without discount.

**TOTAL FUTURE NET REVENUE (UNDISCOUNTED)
BASED ON FORECAST PRICES AND COSTS
AS OF DECEMBER 31, 2022**

Reserves Category	Revenue (MMS¹)	Royalties and Burdens (MMS²)	Operating Costs (MMS)	Development Costs (MMS)	Other Costs (MMS)	Abandonment and Reclamation Costs³ (MMS)	Future Net Revenue Before Income Taxes (MMS)	Future Income Taxes (MMS)	Future Net Revenue After Income Taxes (MMS)
PROVED									
Developed Producing	2,956.82	179.86	1,434.53	-	75.76	410.07	856.61	226.51	630.10
Developed Non-Producing	3.61	0.10	0.55	0.46	0.06	-	2.45	0.65	1.80
Undeveloped	1,160.32	106.53	272.23	287.38	19.60	23.20	451.36	119.35	332.01
TOTAL PROVED	4,120.75	286.50	1,707.31	287.84	95.42	433.27	1,310.42	346.50	963.91
PROBABLE	2,111.77	176.87	660.31	198.62	42.33	32.13	1,001.52	251.08	750.44
TOTAL PROVED PLUS PROBABLE	6,232.52	463.36	2,367.61	486.46	137.75	465.40	2,311.93	597.58	1,714.35

Notes:

- (1) All values are presented in Canadian Dollars (CDN).
- (2) Royalties and Burdens include any applicable Production Taxes and Other Income.
- (3) Abandonment and Reclamation costs presented in this table well and facility costs up to the point of first sale.

The following table sets forth the net present value of future net revenues by production group attributed to Proved and Proved plus Probable Reserves of the Corporation as of December 31, 2022, based on forecast price assumptions.

**NET PRESENT VALUES OF FUTURE NET REVENUE
BY PRODUCTION GROUP
BASED ON FORECAST PRICES AND COSTS
AS OF DECEMBER 31, 2022**

Reserves Category	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10%/Year) (M\$)	Net Reserves Unit Value Before Income Taxes (Discounted at 10%/Year) (\$/boe)
Proved	Light and Medium Oil (including solution gas and by-products)	1,031,383	26.14
	Heavy Oil (including solution gas and by-products)	-	-
	Conventional Natural Gas (including solution gas and by-products)	-	-
	TOTAL	1,031,383	26.14
Proved Plus Probable	Light and Medium Oil (including solution gas and by-products)	1,401,792	24.27
	Heavy Oil (including solution gas and by-products)	-	-
	Conventional Natural Gas (including solution gas and by-products)	-	-
	TOTAL	1,401,792	24.27

Definitions and Additional Notes to Reserves Data Tables

The determination of oil, NGLs and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of Proved, Probable and Possible Reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery. The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

In the tables set forth under the heading "*Statement of Reserves Data and Other Oil and Gas Information*" and elsewhere in this Annual Information Form the following definitions and notes are applicable:

"**Gross**" reserves are the Corporation's working interest (operating or non-operating) share before deduction of royalty obligations and without including any royalty interests of the Corporation.

"**Net**" reserves are the Corporation's working interest (operating or non-operating) share after deduction of royalty obligations plus any royalty interests of the Corporation.

"**Reserves**" are the estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: the analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according with the level of certainty associated with the estimates and may be sub-classified based on development and production status.

"Production" is the cumulative quantity of petroleum that has been recovered at a given date.

"Proved Reserves" are those Reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved Reserves. At least 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves is the targeted level of certainty.

"Probable Reserves" are those additional Reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable Reserves. At least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probably reserves is the targeted level of certainty.

"Developed Reserves" are those Reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the Reserves on production. The developed category may be subdivided into producing and non-producing.

"Developed Producing Reserves" are those Reserves that are expected to be recovered from completion intervals open at the time of the estimate. These Reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Developed Non-Producing Reserves" are those Reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

"Undeveloped Reserves" are those Reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the Reserves classification (proved, probable) to which they are assigned.

Pricing Assumptions

Forecast Prices and Cost Assumptions

The following tables detail the benchmark references prices, for Saturn's assets in which the Corporation operated as at December 31, 2022, reflected in the reserves data contained under "Disclosure of Reserves Data".

The table below summarizes the "benchmark prices" at a price reference point and the 2023 realized prices used for the geographic area included in the 2022 Reserve Report:

Geographic Area	Product	Average Benchmark Prices	Average Realized Prices
Saskatchewan	Light and Medium Crude Oil	\$103.76 /bbl	\$100.03/bbl
	Heavy Oil	N/A	N/A
	Natural Gas	\$ 4.23 /Mcf	\$0.94/Mcf
	Butane	\$53.88 /bbl	\$48.02/bbl

**SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS
FORECAST PRICES AND COSTS AS AT DECEMBER 31, 2022**

Year	Inflation Rate	Edmonton MSW 40° API	Alberta AECO Spot	Butane
	(%)	(\$/bbl)	(\$/MMBTU)	(\$/bbl)
2023	-	103.76	4.23	53.88
2024	2.33	97.74	4.40	52.67
2025	2.00	95.27	4.21	51.42
2026	2.00	95.58	4.27	51.61
2027	2.00	97.07	4.34	52.39
2028	2.00	99.01	4.43	53.44
2029	2.00	100.99	4.51	54.51
2030	2.00	103.01	4.60	55.60
2031	2.00	105.07	4.69	56.71
2032	2.00	106.69	4.79	57.56
2033	2.00	108.83	4.88	58.71
2034	2.00	111.00	4.98	59.88
2035	2.00	113.22	5.08	61.08
2036	2.00	115.49	5.18	62.30
2037	2.00	117.80	5.29	63.55
2038	2.00	120.15	5.39	64.82
2039	2.00	122.56	5.50	66.11
2040	2.00	125.01	5.61	67.44
2041	2.00	127.51	5.72	68.79
2042	2.00	130.06	5.84	70.16
2043	2.00	132.66	5.95	71.56
2044	2.00	135.31	6.07	73.00
2045	2.00	138.02	6.19	74.46
2046	2.00	140.78	6.32	75.95
2047+	2.00	+2%	+2%	+2%

Reserves Reconciliation

The following table sets out a reconciliation of the changes in the Corporation's gross reserves as at December 31, 2022 against such reserves at December 31, 2021 based on forecast prices and cost assumptions above:

	Light and Medium Oil			Associated and Non-Associated Gas			NGL/Condensate			MBOE		
	PV (Mbbbl)	PB (Mbbbl)	PV + PB (Mbbbl)	PV (MMscf)	PB (MMscf)	PV + PB (MMscf)	PV (Mbbbl)	PB (Mbbbl)	PV + PB (Mbbbl)	PV (Mbbbl)	PB (Mbbbl)	PV + PB (Mbbbl)
CANADA												
31-Dec-21	30,949	15,425	46,374	8,864	4,466	13,330	1,357	710	2,067	33,783	16,879	50,663
Extensions	168	18	186	59	10	69	6	1	7	184	21	205
Improved Recovery	34	22	56	45	4	49	2	1	3	44	23	67
Infill Drilling	1,854	127	1,981	552	62	614	49	9	58	1,995	146	2,141
Technical Revisions	(2,075)	(751)	(2,826)	420	694	1,114	(163)	(175)	(338)	(2,168)	(810)	(2,979)
Discoveries	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	6,537	2,595	9,131	1,328	543	1,871	51	20	71	6,809	2,706	9,514

Dispositions	-	-	-	-	-	-	-	-	-	-	-	-
Economic Factors ⁽²⁾	4,492	938	5,431	1,569	368	1,937	269	63	332	5,023	1,062	6,086
Production	(2,589)	-	(2,589)	(774)	-	(774)	(122)	-	(122)	(2,840)	-	(2,840)
31-Dec-22	39,370	18,374	57,744	12,063	6,147	18,210	1,448	629	2,077	42,829	20,027	62,856

Notes:

- (1) There are no heavy oil volumes associated with Saturn's interest in the properties evaluated.
- (2) Economic Factors include changes due to commodity pricing, price differentials and operating cost.

Technical Revisions:

- Light & Medium Oil

The main negative impact on proved and probable oil reserves is due to type curve updates, which resulted in an aggregate write down on undeveloped locations; the updated type curves appropriately represent Saturn's booked locations. Negative technical revisions were also caused by "ungrouping" entities in the Val Nav reserves database, which resulted in low-producing wells becoming uneconomic, and therefore being written off. The other main technical revision component was decline curve analysis on 1P and 2P to routinely update forecasts based on historical production.

- NGL/Condensate

Minor positive technical revision driven by forecast updates on entities with associated natural gas liquids.

- Associated and Non-Associated natural gas and NGL/Condensate

Most gas volumes are associated with oil wells, so result is an impact of changes on oil entities.

Additional Information Relating to Reserves Data

Undeveloped Reserves

The below tables list the volumes of proved undeveloped reserves that were first attributed in each of the last three financial years:

TOTAL LOCATION COUNT AND VOLUME 2022

Field	Locations Year-End 2022	Oil		Conventional Natural Gas Solution MMscf	Natural Gas Liquids Mbbl	Total BOE MBOE
		Light, Medium Mbbl	Heavy Mbbl			
Glen Ewen (PUD)	86	4,127	-	2,683	312	4,887
Glen Ewen (PROB)	51	3,937	-	2,559	222	4,585
Ingoldsby (PUD)	6	256	-	49	10	275
Ingoldsby (PROB)	6	436	-	83	15	464
Manor (PUD)	46	2,024	-	385	83	2,171
Manor (PROB)	32	2,203	-	419	85	2,358
Weir Hill (PUD)	32	1,253	-	439	77	1,403
Weir Hill (PROB)	31	1,806	-	632	112	2,023
West Central (PUD)	104	3,745	-	941	10	3,911
West Central (PROB)	48	3,371	-	786	8	3,509
PUD Reserves		11,406	-	4,496	492	12,647
PROB Includes incremental		11,753	-	4,479	441	12,940

Total Locations PV+PB	452	23,159	-	8,975	932	25,587
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TOTAL LOCATION COUNT AND VOLUME 2021

Field	Locations Year-End 2021	Oil		Natural Gas Solution MMscf	Natural Gas Liquids Mbbbl	Total BOE MBOE
		Light, Medium Mbbbl	Heavy Mbbbl			
Glen Ewen (PUD)	87	4,292	-	1,810	197	4,791
Glen Ewen (PROB)	39	3,169	-	1,317	144	3,533
Ingoldsby (PUD)	19	360	-	91	21	396
Ingoldsby (PROB)	-	368	-	93	21	406
Manor (PUD)	50	1,908	-	388	89	2,062
Manor (PROB)	32	2,729	-	647	148	2,986
Weir Hill (PUD)	62	2,215	-	589	98	2,411
Weir Hill (PROB)	9	1,594	-	396	65	1,725
West Central (PUD)	31	1,187	-	-	-	1,187
West Central (PROB)	22	1,325	-	-	-	1,325
PUD Reserves		9,963	-	2,878	406	10,849
PROB Includes incremental		9,188	-	2,453	380	9,977
Total Locations PV+PB	351	19,151	-	5,331	786	20,826

TOTAL LOCATION COUNT AND VOLUME 2020

Field	Locations Year-End 2019	Oil		Natural Gas Solution MMscf	Natural Gas Liquids Mbbbl	Total BOE MBOE
		Light, Medium Mbbbl	Heavy Mbbbl			
West Central (PUD)	67	2,450	183	-	-	2,634
West Central (PROB)	61	2,977	279	-	-	3,256
PUD Reserves		2,450	183	-	-	2,634
PROB Includes incremental		2,977	279	-	-	3,256
Total Locations PV+PB	128	5,427	462	-	-	5,890

Undeveloped reserves were assigned to a total of 452 undeveloped drilling locations. These locations are horizontal, Conventional Mississippian drills that are planned for development. The total location count is comprised of 280 proved undeveloped drilling locations and 172 probable undeveloped drilling locations.

The below table lists the location count by property and formation, as well as the expected on-production timing for the locations:

Field	Locations Year End 2022	Previous Locations Year End 2021
Glen Ewen	137	126
Ingoldsby	12	19
Manor	78	82
Weir Hill	63	71
West Central		53
Herschel	50	
Kindersley	58	
Plato	54	
Total Locations	452	351

Significant Factors or Uncertainties Affecting Reserves Data

The estimation of reserves requires significant judgment and decisions based on available geological, geophysical, engineering and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices and cost changes. The Corporation's estimates are based on current production forecast, prices and economic conditions.

As additional data and circumstances change, reserve estimates also change. Based on new information, reserves estimates are reviewed and revised, either downward or upward as warranted. As new geological, production and economic data is incorporated into the process of estimated reserves the accuracy of the reserve estimate improves.

The Corporation's reserves can be affected significantly by fluctuations in product pricing, capital expenditures, operating costs, royalty regimes and well performance that are beyond the Corporation's control.

The Corporation's oil and gas properties have no material extraordinary risks or uncertainties beyond those which are inherent of an oil and gas producing Corporation which have been disclosed in financial statements and management's discussion and analysis as filed on SEDAR (www.sedar.com) and this Annual Information Form.

Future Development Costs

The following table shows the development costs anticipated in the next five years, which have been deducted in the estimation of the future net revenues of the proved and probable reserves:

	Total Proved Estimated Using Forecast Prices and Costs (Undiscounted) (MM\$)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (Undiscounted) (MM\$)
2023	60.0	71.9
2024	59.9	71.6
2025	55.3	66.2
2026	57.5	68.4
2027	55.1	74.5
Remaining	-	133.9
Total (undiscounted)	287.8	486.5

The Corporation's current cash balance, internally-generated cash flow, and future debt and equity placements could allow the Corporation to complete the development costs specified above. It is anticipated that the cost arising from debt that may be placed to fund future development activities will reflect rates for asset-based lending prevailing in Canada. The effect on costs of the expected funding could have a material impact on the revenues or reserves currently being reported.

Oil Wells

The following table sets forth the number and status of wells in which the Corporation had a working interest or a royalty interest as at December 31, 2022, which are producing or which the Corporation considers to be capable of production. All wells set forth in the table are located in Saskatchewan.

Saskatchewan	Crude Oil		Natural Gas	
	Gross	Net	Gross	Net
Producing	2,176	1,770	-	-
Non-Producing	1	1	-	-
Undeveloped	52	47	-	-
Total	2,229	1,781	-	-

Property Overview

The following is a description of the major oil and natural gas properties, and facilities in which the Corporation had an interest as of December 31, 2022.

As of December 31, 2022, 2,176 gross wells (1,770 net wells) are producing.

Oxbow Saskatchewan

Saturn lands, consisting of Ingoldsby, Glen Ewen, Manor, Wapella, Weir Hill, are a blend of crown and freehold land with Saturn owning ~80% working interest.

The fields are located approximately 230 km southeast of Regina, Saskatchewan. The Saturn lands are located in multiple fields, with a variety of ownership ranging from 1-100% and averaging ~80%. Target formations are members of the Mississippian (Frobisher, Alida, Midale, Tilston, Spearfish) and Jurassic (Red Jacket) time periods. The Mississippian is a highly permeable carbonate reservoir that underlies a tight anhydritic unconformity, it is typically 1200m in depth and produces light oil with API ranging 33° and 36° API. The Jurassic time period wells are a clastic sandstone with typical depths of 700mTVD and API ranging from 23° and 27° API.

West-Central Saskatchewan

Saturn's lands, consisting of Kindersley, Herschel and Plato, are primarily crown lands with Saturn owning a ~95% working interest.

The fields are located roughly 190 km west-southwest of Saskatoon, Saskatchewan. The Saturn lands are located in multiple fields, most of which are 100% owned and operated by Saturn. The Viking is a shallow sandstone formation that underlies large areas of eastern and West-Central Saskatchewan. In the areas where Saturn's lands line, it is typically less than 800m in depth. The Viking formation produces light oil with API ranging between 33° and 38° API.

Properties with No Attributed Reserves.

As at December 31, 2022, the Corporation's assets have a total acreage of 462,222 acres (net 393,253 acres). Summarized below is the portion of this acreage that is considered undeveloped (Gross 92,277 | 75,695 Net acres).

<u>Location/License</u>	<u>Gross Area (acres)</u>	<u>Net Area (acres)</u>	<u>Gross Rights to Expire within One Year (acres)</u>
Glen Ewen	14,753	12,358	1,167
Ingoldsby	7,707	4,566	0
Manor	13,209	10,735	898
Wapella	13,181	12,281	8,160
Weir Hill	119	119	80
Kindersley	3,644	3,229	648
Herschel	13,181	12,281	8,160
Plato	26,423	20,969	24,091

These lands have no financial commitment on them other than annual rental payments to the Ministry of Natural Resources or Freehold lessors.

Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

The Corporation has no significant factors or uncertainties relevant to properties with no attributed reserves.

Exploration and Development

In 2022, the Corporation focused its capital on drilling 57.5 (58 gross) wells across its two core assets. The Corporation's 2023 capital program is anticipated to be equivalent to operating cash flows and the existing credit facilities.

Additional Information Concerning Abandonment and Reclamation Costs

The following table sets out the Corporation's estimated abandonment costs are included in the 2022 Reserves Report as a deduction in arriving at future net revenue.

Year	Forecast Prices and Costs – Proved (MM\$)	Forecast Prices and Costs – Proved Plus Probable (MM\$)
	Abandonment Costs (Undiscounted)	
2023	0.4	0.4
2024	1.2	1.1
2025	2.1	2.0
Total for three years	3.7	3.5
Thereafter	429.6	461.9
Total	433.3	465.4

Forward Contracts

As at December 31, 2022, the Corporation was committed to the following commodity price risk contracts:

Period	WTI Collars		WTI Swaps		WTI Swaps		WTI/MSW Differential	
	Volume (bbls/d)	Price ⁽¹⁾ (US\$/bbl)	Volume (bbls/d)	Price ⁽¹⁾ (US\$/bbl)	Volume (bbls/d)	Price ⁽¹⁾ (CA\$/bbl)	Volume (bbls/d)	Price ⁽¹⁾ (US\$/bbl)
Q1 2023	2,397	50.83 - 60.94	4,319	73.30	445	123.75	4,595	(5.70)
Q2 2023	2,319	50.79 - 60.82	4,078	72.76	424	123.75	4,455	(5.70)
Q3 2023	2,239	50.72 - 60.58	3,854	72.20	404	115.85	4,317	(5.70)
Q4 2023	2,168	50.66 - 60.39	3,665	71.73	386	115.85	4,192	(5.70)
Q1 2024	2,103	50.63 - 56.49	3,490	65.31	294	108.96	-	-
Q2 2024	2,044	50.61 - 56.46	3,332	65.01	283	108.96	-	-
Q3 2024	1,992	50.63 - 56.49	3,173	64.67	272	103.43	-	-
Q4 2024	1,923	50.56 - 56.32	3,054	64.50	262	103.43	-	-
Q1 2025	1,818	50.38 - 56.60	2,978	60.50	63	98.17	-	-
Q2 2025	1,771	55.14 - 59.00	2,871	63.22	61	98.17	-	-
Q3 2025	1,729	65.00 - 68.10	2,753	69.05	59	94.49	-	-
Q4 2025	1,684	65.00 - 68.10	2,637	68.99	57	94.49	-	-
Q1 2026	1,080	65.00 - 68.10	3,077	67.21	-	-	-	-
Q2 2026	-	-	4,028	67.30	-	-	-	-

Notes:

(1) Weighted average prices for the period.

Tax Horizon

Saturn was not required to pay income tax in 2022 but expects it could become required to pay income taxes in 2023 based on proved plus probable cash flow economics for its assets.

Costs Incurred

The following table summarizes the Corporation's capital expenditures incurred during the year ended December 31, 2022:

(000's)	<u>Property Acquisition Costs</u>		<u>Exploration Costs</u>	<u>Development Costs</u>
	<u>Proved Properties</u>	<u>Unproved Properties</u>		
Saskatchewan	\$248,367	-	\$1,858	\$83,208
Total	\$248,367	-	\$1,858	\$83,208

Exploration and Development Activities

Exploration and development expenditures were \$85 million in 2022, all of which related to maintaining its existing and essential land portfolio. In 2023, the Corporation will continue to maintain its existing and essential land portfolio. The following table provides a breakdown of the exploration and development capital:

	Exploration		Development		Total	
	Gross	Net	Gross	Net	Gross	Net
2022	1,858	1,858	85,405	83,208	85,405	83,208
Total wells	0	0	58	57.5	58	57.5
Success Rate (%)	N/A	N/A	100%	100%	100%	100%
Average Working Interest (%)	100%	100%	97%	97%	97%	97%

Production Estimates

The following table is a summary of the gross (prior to royalties) volume of the Corporation's estimated production for 2023, which is reflected in the estimate and future net revenue in the 2022 Reserves Report based on forecast prices and costs:

Full Field Interest Production Category	Light and Medium Crude Oil (Mbbbl)	Heavy Oil (Mbbbl)	Conventional Natural Gas (MMscf)	Natural Gas Liquids (Mbbbl)	Oil Equivalent (MBOE)
Gross Proved Production					
Glen Ewen	772	-	502	55	910
Ingoldsby	335	-	64	13	359
Manor	527	-	100	22	565
Wapella	340	-	-	-	340
Weir Hill	411	-	143	27	462
West Central	1,797	-	416	14	1,880
Total Proved	4,182	-	1,225	131	4,517
Gross Proved Plus Probable Production					
Glen Ewen	817	-	531	63	968
Ingoldsby	350	-	66	14	375
Manor	591	-	112	25	635
Wapella	343	-	-	-	343
Weir Hill	428	-	149	28	481
West Central	1,903	-	443	15	1,992
Total Proven + Probable	4,432	-	1,301	145	4,794

Production History

The following table summarizes certain information in respect of production history for each important field, and in total, the production volumes for the most recent financial year, for each product type:

Field	Light and Medium Crude Oil (Mbbbl)	Heavy Oil (Mbbbl)	Conventional Natural Gas (MMscf)	Natural Gas Liquids (Mbbbl)	Oil Equivalent (MBOE)
Glen Ewen	664.36	-	434.69	55.53	792.34
Ingoldsby	349.53	-	67.61	14.87	375.67
Manor	582.24	-	123.52	25.86	628.69
Wapella	335.61	-	-	-	335.61
Weir Hill	404.51	-	147.28	27.76	456.82
West Central	890.61	-	100.05	4.92	912.21
Total	3226.86	-	873.15	128.94	3,501.34

The following tables set forth the Corporation's average daily production volume before deductions of royalties payable to others, and crude oil prices. Also shown are royalties, net production and transportation costs, and average netbacks for the period January 1, 2022– December 31, 2022.

Average Daily Production

Three months ended	March 31	June 30	Sept 30	Dec 31	Total
Light and medium oil (bbl/d)	6,821	6,722	10,163	11,590	8,841
Natural Gas (Mcf/d)	2,063	1,887	2,634	2,971	2,392
NGLs (bbls/d)	334	287	363	428	353
Total (BOE/d)	7,499	7,324	10,965	12,514	9,593

Average Prices Received per Unit – (Excluding commodity contracts, before deduction of royalties)

Three months ended	March 31	June 30	Sept 30	Dec 31	Total
Light and medium oil (bbl/d)	109.20	131.28	110.90	103.03	111.84
Natural Gas (Mcf/d)	4.52	6.47	5.95	5.36	5.57
NGLs (bbls/d)	58.71	72.15	55.59	51.47	58.41
Total (\$/BOE)	101.41	123.39	104.81	96.90	105.09

Royalties and Production Taxes Paid per Unit

Three months ended	March 31	June 30	Sept 30	Dec 31	Total
Light and medium oil (bbl/d)		0.53	0.92	5.72	2.41
Natural Gas (Mcf/d)	0.0	0.0	0.0	0.0	0.0
NGLs (bbls/d)	0.0	0.0	0.0	0.0	0.0
Combined (\$/BOE)	16.59	19.12	12.57	10.42	13.88

Operating Expenses (Including Transportation)

Three months ended	March 31	June 30	Sept 30	Dec 31	Total
Combined (\$/BOE)	27.88	28.05	24.46	22.87	25.28

Netbacks Received

Three months ended	March 31	June 30	Sept 30	Dec 31	Total
Netback Received (\$/BOE)	56.94	76.22	67.78	63.61	65.93

Uncertainty of Reserves Estimates

The reserve and recovery information contained in the 2022 Reserves Report is only an estimate and the actual production and ultimate reserves from the properties may be greater or less than the independent estimates of Ryder Scott.

There are numerous uncertainties inherent in estimating quantities of reserves and cash flows to be derived therefrom, including many factors that are beyond the control of the Corporation. The reserve and cash flow information set forth herein represent estimates only. The reserves and estimated future net cash flow from the Corporation's assets have been independently evaluated effective December 31, 2022 by Ryder Scott. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of oil and natural gas, operating costs and royalties and other government levies that may be imposed over the producing life of the reserves. These assumptions were based on price forecasts in use at the date the relevant evaluations were prepared and many of these assumptions are subject to change and are beyond the control of the Corporation. Actual production and cash flows will vary from these evaluations, and such variations could be material. The foregoing evaluations are based in part on the assumed success of exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows contained in such evaluations will be reduced to the extent that such exploitation activities do not achieve the level of success in the evaluations.

DIRECTORS AND OFFICERS OF THE CORPORATION

The following table lists name, province and country of residence and principal occupation for the last five years of each of the directors and executive officers of the Corporation as of the date hereof. Each director of the Corporation shall hold office until the next annual meeting of shareholders or until their successors are duly elected or appointed pursuant to the Corporation's by-laws, unless the director's office is earlier vacated.

<u>Name and Municipality of Residence</u>	<u>Position</u>	<u>Principal Occupation</u>	<u>Director or Officer Since</u>
John Jeffrey ⁽²⁾⁽⁴⁾ Calgary, Alberta	Chief Executive Officer, and Director	Chief Executive Officer of the Corporation since March, 2017. Prior to this role, Mr. Jeffrey was the area finance manager for a Fortune 500 engineering consulting firm in Canada. Mr. Jeffrey has a strong background in operations and finance. Mr. Jeffrey was also a founder and CFO for Axiom Group, a geological and engineering consulting Corporation.	11.11.2016
Scott Sanborn Calgary, Alberta	Chief Financial Officer	Chief Financial Officer of the Corporation since June 1, 2021. Prior thereto served as Corporate Controller of Calgary-based Jupiter Resources from November 2016 until its sale in December 2020. Prior thereto, Mr. Sanborn held various leadership roles with energy companies including Marquee Energy and Verano Energy, and earlier, worked with KPMG LLP. Mr. Sanborn holds his Chartered Professional Accountant Designation and earned a Bachelor of Commerce degree from the University of Calgary.	6.1.2021
Justin Kaufmann Calgary, Alberta	Chief Development Officer	Chief Development Officer of the Corporation since September 19, 2022 and prior thereto VP Exploration of the Corporation since January, 2018. Prior thereto President of Axiom Exploration, a Saskatchewan based engineering consulting business. Mr. Kaufmann is a graduate from the University of Saskatchewan and a registered Professional Geologists with APEGS. He has had roles of increasing responsibility in management and geology for both private and public companies. Mr. Kaufmann was a founder of Axiom Energy Services, a division of Axiom Group. He brings with him a strong technical background and management experience to his role as Vice President of Exploration.	7.1.2018

Name and Municipality of Residence	Position	Principal Occupation	Director or Officer Since
Ivan Bergerman ⁽¹⁾⁽³⁾ Saskatoon, Saskatchewan	Director	Mr. Bergerman is a graduate from the University of Saskatchewan, College of Law. Mr. Bergerman has practiced as a lawyer since 2002 practicing primarily general Corporate Commercial, Securities, M&A and Oil & Gas Law. He founded Bergerman Smith LLP in 2010.	8.15.2017
Jim Payne ⁽¹⁾⁽³⁾ Caledon, Ontario	Director	Mr. Payne is currently chief executive officer of dynaCERT Inc., a Canadian Corporation that specializes in delivering Carbon Emission Reduction Technologies to the global marketplace. He brings more than 38 years of experience in strategic leadership roles within both public and private companies, corporate governance, finance and accounting, capital markets, executive leadership and business performance improvements. Mr. Payne also serves as Chief Executive Officer of a privately-held consulting, project management and real estate development Corporation operating in the Greater Toronto Area. Mr. Payne graduated from St. Clair College in Construction Engineering, Project Management and Estimating	3.11.2020
Christopher Ryan ⁽²⁾⁽⁴⁾ Calgary, Alberta	Director	Mr. Ryan is the CEO of Broadbill Energy Inc, an oil and gas technology infrastructure company. Prior to that, he was the Director of Midstream and Director of Operation Services for Kingston Midstream (formally Tundra Energy Marketing Ltd.) and Exploitation Engineer with Tundra Oil and Gas. He has published 25 scientific publications, many of which were published during his time as a Research Scientist at the Canadian Light Source Inc. Chris currently sits on the Board for the Canadian Crude Quality Technical Association (CCQTA) as the Director of Midstream, and he is the Co-Chair of the Sampling and Frequency Working Group for the Crude Oil Quality Association (COQA). Chris is also an honorary founding member of the Global Institute of Water Security and is on various Canadian Association of Petroleum Producers (CAPP) Committees, specifically the CAPP Equalization Steering Committee and is a voted Working Group member of the Canadian Transportation of Dangerous Goods General Policy Advisory Council for Classification.	6.5.2018
Grant MacKenzie ⁽²⁾⁽³⁾ Calgary, Alberta	Director	Mr. MacKenzie is a partner and the Corporate co-lead of the Calgary office of Dentons Canada LLP since 2018. Prior thereto Mr. MacKenzie was a partner in the securities group of Burnet Duckworth & Palmer LLP from 2010-2018. Mr. MacKenzie has extensive experience dealing with public issuers, including with respect to capital markets, mergers and acquisitions, public offerings and stock exchange compliance advice and has been involved as counsel, corporate secretary and director of numerous TSX and TSXV issuers.	9.15.2022
Thomas Gutschlag ⁽¹⁾ Mannheim, Germany	Director	Thomas Gutschlag is currently the Chairman of Deutsche Rohstoff AG (DRAG), a public company listed on the Frankfurt Stock Exchange which identifies, develops and divests attractive resource projects in North America, Australia and Europe, with a focus on the development of oil and gas opportunities within the United States, as well as metals such as gold, copper and tungsten. Thomas Gutschlag cofounded DRAG in 2006 and was its Chief Financial from 2007 to 2015 and its Chief Executive Officer from 2015 to 2022. Thomas Gutschlag is a qualified economist with a degree in economics from the University of Heidelberg and a doctorate from the University of Mannheim.	9.15.2022

Notes:

- (1) Member of the Audit Committee
- (2) Member of the Reserves Committee
- (3) Member of the Compensation Committee
- (4) Member of the Health, Safety and Environment Committee

Shareholdings of Directors and Executive Officers

As at the date hereof, the directors and officers of the Corporation, as a group, beneficially owned or controlled, directly or indirectly, 1,300,168 Common Shares, representing approximately 1.0% of the issued and outstanding Common Shares as at that date. As of the date hereof, the directors and executive officers, as a group, also held Options to purchase 1,215,000 Common Shares, 45,000 RSUs, 961,869 share purchase warrants and 7,000,000 performance warrants.

Cease Trade Orders

To the knowledge of management of the Corporation, no director or executive officer as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any Corporation (including the Corporation), that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, "order" means (a) a cease trade order, (b) an order similar to a cease trade order, or (c) an order that denied the relevant Corporation access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

Bankruptcies

To the knowledge of management of the Corporation, no director or executive officer of the Corporation is, as of the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any Corporation that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal to 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.

To the knowledge of management of the Corporation, no director or executive officer of the Corporation has, within 10 years before 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 its assets.

Penalties and Sanctions

To the knowledge of management of the Corporation, no director or executive officer or shareholder holding a sufficient number of Common Shares to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject to in connection with the operations of the Corporation. In particular, certain of the directors and officers of the Corporation are involved in managerial or director positions with other oil and natural gas companies whose operations may, from time to time, be in direct competition with those of the Corporation or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Corporation. In accordance with the SBCA, directors who have a material interest or any person who is a party to a material

contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Corporation. Certain of the directors of the Corporation have either other employment or other business or time restrictions placed on them and accordingly, these directors of the Corporation will only be able to devote part of their time to the affairs of the Corporation.

AUDIT COMMITTEE

The purpose of the Corporation's audit committee is to provide assistance to the board of directors (the "**Board**") in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation. It is the objective of the audit committee to maintain a free and open means of communications among the Board, the independent auditors and the senior management of the Corporation.

Audit Committee Charter

The Corporation's Audit Committee charter (the "**Audit Committee Charter**") was adopted by the Board, the full text of which is attached hereto as Schedule "C" and forms part of this Annual Information Form. The mandate of the Audit Committee is to assist the Board in its oversight of the integrity of the Corporation's financial statements and other relevant public disclosures, the Corporation's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

Composition of the Audit Committee

The audit committee is comprised of Messrs. T. Gutschlag, J. Payne and I. Bergerman. Messrs. T. Gutschlag, J. Payne and I. Bergerman are independent within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees* ("**NI 52-110**") and each of the members are financially literate within the meaning of section 1.6 of NI 52-110.

Relevant Education and Experience

The following relevant education and experience of the members of the Audit Committee have been used in assessing their financial literacy and are relevant to the performance of their responsibilities as audit committee members:

Thomas Gutschlag. Director

Thomas Gutschlag is currently the Chairman of Deutsche Rohstoff AG (DRAG), a public company listed on the Frankfurt Stock Exchange which identifies, develops and divests attractive resource projects in North America, Australia and Europe, with a focus on the development of oil and gas opportunities within the United States, as well as metals such as gold, copper and tungsten. Thomas Gutschlag cofounded DRAG in 2006 and was its Chief Financial from 2007 to 2015 and its Chief Executive Officer from 2015 to 2022. Thomas Gutschlag is a qualified economist with a degree in economics from the University of Heidelberg and a doctorate from the University of Mannheim.

J. Payne. Director

Mr. J. Payne is currently chief executive officer of dynaCERT Inc., a Canadian Corporation that specializes in delivering Carbon Emission Reduction Technologies to the global marketplace. He has more than 38 years of experience in strategic leadership roles within both public and private companies, corporate governance, finance

and accounting, capital markets, executive leadership and business performance improvements. Mr. J. Payne also serves as Chief Executive Officer of a privately-held consulting, project management and real estate development corporation operating in the Greater Toronto Area. Mr. J. Payne graduated from St. Clair College in Construction Engineering, Project Management and Estimating.

Ivan Bergerman. Director

Mr. Bergerman is a graduate from the University of Saskatchewan, College of Law and is a corporate and securities lawyer with extensive experience with corporate finance and capital markets.

Pre-Approval Policies and Procedures

The audit committee pre-approves engagements for non-audit services provided by the external auditors or their affiliates, together with estimated fees and potential issues of independence.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, KPMG LLP, Chartered Accountants) not adopted by the Board.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 (*De Minimis Non-Audit Services*), 3.2 (*Initial Public Offerings*), 3.4 (*Events Outside Control of Member*), 3.5 (*Death, Disability or Resignation of Audit Committee Member*), of NI 52-110, or an exemption, in whole or in part, granted under Part 8 of NI 52-110.

External Auditor Service Fees (By Category)

<u>Year Ended</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
December 31, 2022	\$303,000	\$235,000	\$22,000	-
December 31, 2021	\$118,000	\$16,000	\$20,000	-

Notes:

- (1) "Audit Fees" are the aggregate fees billed for assurance and related services by the Corporation's auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statement and are not disclosed under "Audit fees".
- (2) "Audit-Related Fees" are the aggregate fees billed for assurance and related services, required to be performed by the Corporation's external auditor, that are reasonably related to the performance of the audit or review of the Corporation's financial statement and are not disclosed under "Audit fees". Amounts billed in the year ended December 31, 2022 relate to fees payable in connection to the Corporation's Short-form Prospectus (March), Base Shelf Prospectus (June), Supplemental Shelf Prospectus (July) and BAR filings.
- (2) "Tax Fees" are the aggregate fees billed for professional services rendered by the Corporation's auditor for tax compliance, tax advice and tax planning.
- (3) "All Other Fees" are the aggregate fees billed for services provided by the Corporation's auditor other than the services reported under "Audit fees", "Audit-Related Fees" and "Tax Fees".

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Common Shares, without nominal or par value. As of as of the date of this Annual Information Form, 138,560,494 Common Shares are issued and outstanding and 1,653,750 and 45,000 Common Shares are reserved for issuance pursuant to securities issued under the Corporation's Stock Option Plan (as defined below) and RSU/DSU Plan (as defined below) respectively. 13,416,666, 6,871,000 and 13,663,717 Common Shares have been reserved and allotted for issuance upon the exercise of the 2021 Warrants, March 2022 Warrants and July 2022 Warrants, respectively, 4,254,081 Common

Shares have been reserved and allotted for issuance upon the exercise of the securities underlying the outstanding compensation options and broker warrants and 7,000,000 performance warrants outstanding. See "*Business of the Corporation - Three Year History*" and "*Business of the Corporation - Recent Developments*".

The following is a description of the rights, privileges, restrictions and conditions attaching to our share capital.

Common Shares

As of December 31, 2022, 59,892,326 Common Shares were issued and outstanding. As of the date of this Annual Information Form, 138,560,494 Common Shares were issued and outstanding. "*Business of the Corporation - Three Year History*" and "*Business of the Corporation - Recent Developments*".

Holders of Common Shares are entitled to: (a) one vote per post-consolidated Common Share at all meetings of shareholders of the Corporation; (b) receive dividends if, as and when declared by the Board, as a class equally with the holders of the Preferred Shares, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes ranking in priority to the Common Shares in respect of dividends; and (c) in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of its assets for the purpose of winding up its affairs, subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of return of capital on dissolution, share rateably, together with the holders of Preferred Shares and of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.

RSU/DSU Plan and Amended Stock Option Plan

The Corporation's restricted share unit and deferred share unit compensation plan (the "**RSU/DSU Plan**") is made to advance the interests of the Corporation by encouraging employees, directors and consultants to receive equity-based compensation and incentives to ensure that interests of key persons are aligned with the success of the Corporation and its affiliates.

The Corporation's stock option plan (the "**Stock Option Plan**") is also made to attract and retain employees, directors and consultants, and to ensure that interests of key persons are aligned with the success of Saturn and its affiliates.

The maximum number of restricted share units ("**RSUs**") and deferred share units ("**DSUs**") issuable under the RSU/DSU Plan is 5,968,908. The number of stock options ("**Options**") issuable under the Stock Option Plan may not exceed 10% of the number of issued and outstanding Common Shares as at the date of a grant under the Stock Option Plan. Based on the number of Common Shares outstanding on December 31, 2022, an aggregate of 5,989,232 Options can be granted pursuant to the Stock Option Plan. As at December 31, 2022, the Corporation had 1,687,500 Options outstanding and 45,000 RSUs outstanding, leaving 5,923,908 RSUs/DSUs available for grant and 4,301,732 Options available for grant. Based on the number of Common Shares outstanding as of the date of this Annual Information Form, an aggregate of 13,856,049 Options can be granted pursuant to the Stock Option Plan. As at the date of this Annual Information Form, the Corporation had 1,653,750 Options outstanding and 45,000 RSUs outstanding, leaving 5,923,908 RSUs/DSUs available for grant and 12,202,299 Options available for grant. See "*Business of the Corporation - Three Year History*" and "*Business of the Corporation - Recent Developments*".

Warrants

2021 Warrants

As of December 31, 2022, the Corporation had 13,416,666 2021 Warrants outstanding. As of the date of this Annual Information Form, the Corporation had 13,416,666 2021 Warrants outstanding.

Holders of 2021 Warrants are entitled to purchase, subject to adjustment in certain circumstances, one Common Share at a price \$3.20 on or before June 4, 2023, subject to adjustment in certain events. After giving effect to the Consolidation, the 2021 Warrants were adjusted pursuant to the terms thereof such that twenty (20) 2021 Warrants entitle the holder to purchase a whole post-Consolidation Common Share at an adjusted exercise price of \$3.20. A total of 13,416,666 Common Shares are issuable pursuant to such 2021 Warrants and the other terms and conditions of the 2021 Warrants, including the expiry date of June 4, 2023, remained unchanged.

The following is a summary of certain of the rights, privileges, restrictions and conditions attaching to the 2021 Warrants. For a complete description of the 2021 Warrants, please refer the 2021 Warrant Indenture which has been filed on the Corporation's SEDAR profile, accessible at www.sedar.com.

The 2021 Warrant Indenture provides for adjustment in the number of Common Shares issuable upon the exercise of the 2021 Warrants and/or the exercise price thereof upon the occurrence of certain events, including: (i) the subdivision, redivision or change of the Common Shares into a greater number of shares; (ii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares; (iii) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares as a dividend or distribution; (iv) the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares, at a price per share to the holder of less than 95% of the "current market price" as defined in the 2021 Warrant Indenture, for the Common Shares on such record date; or (v) the distribution to all or substantially all of the holders of the Common Shares of: (A) securities of any class other than Common Shares or securities of another entity; (B) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares, other than pursuant to a rights offering; (C) evidences of indebtedness; or (D) any property or other assets, including cash.

The 2021 Warrant Indenture also provides for adjustments in the class and/or number of securities issuable upon exercise of the 2021 Warrants in the event of certain alterations of the Common Shares, including any subdivision, consolidation or reclassification, and in the event of a capital reorganization of the Corporation, including any amalgamation, merger, or arrangement or a sale or conveyance of the property or assets of the Corporation, as an entirety, or substantially as an entirety, an adjustment shall be made to the terms of the 2021 Warrants such that the holders shall, upon exercise of the 2021 Warrants following the occurrence of any of those events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had they exercised their 2021 Warrants prior to the occurrence of those events. No fractional Common Shares will be issuable to any holder of 2021 Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. See "*Business of the Corporation - Three Year History - 2021*".

March 2022 Warrants

As of December 31, 2022, the Corporation had 6,871,000 March 2022 Warrants outstanding. As of the date of this Annual Information Form, the Corporation had 6,871,000 March 2022 Warrants outstanding.

Holders of March 2022 Warrants are entitled to purchase, subject to adjustment in certain circumstances, one Common Share at a price \$4.00 on or before March 10, 2025, subject to adjustment in certain events.

The following is a summary of certain of the rights, privileges, restrictions and conditions attaching to the March 2022 Warrants. For a complete description of the March 2022 Warrants, please refer the March 2022 Warrant Indenture which has been filed on the Corporation's SEDAR profile, accessible at www.sedar.com.

The March 2022 Warrant Indenture provides for adjustment in the number of Common Shares issuable upon the exercise of the March 2022 Warrants and/or the exercise price thereof upon the occurrence of certain events, including: (i) the subdivision, redivision or change of the Common Shares into a greater number of shares; (ii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares; (iii) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares as a dividend or distribution; (iv) the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares, at a price per share to the holder of less than 95% of the "current market price" as defined in the March 2022 Warrant Indenture, for the Common Shares on such record date; or (v) the distribution to all or substantially all of the holders of the Common Shares of: (A) securities of any class other than Common Shares or securities of another entity; (B) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares, other than pursuant to a rights offering; (C) evidences of indebtedness; or (D) any property or other assets, including cash.

The March 2022 Warrant Indenture also provides for adjustments in the class and/or number of securities issuable upon exercise of the March 2022 Warrants in the event of certain alterations of the Common Shares, including any subdivision, consolidation or reclassification, and in the event of a capital reorganization of the Corporation, including any amalgamation, merger, or arrangement or a sale or conveyance of the property or assets of the Corporation, as an entirety, or substantially as an entirety, an adjustment shall be made to the terms of the March 2022 Warrants such that the holders shall, upon exercise of the March 2022 Warrants following the occurrence of any of those events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had they exercised their March 2022 Warrants prior to the occurrence of those events. No fractional Common Shares will be issuable to any holder of March 2022 Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. See "*Business of the Corporation - Three Year History - 2022*".

July 2022 Warrants

As of December 31, 2022, the Corporation had 13,663,717 July 2022 Warrants outstanding. As of the date of this Annual Information Form, the Corporation had 13,663,717 July 2022 Warrants outstanding.

Holders of July 2022 Warrants are entitled to purchase, subject to adjustment in certain circumstances, one Common Share at a price \$3.20 on or before July 7, 2023, subject to adjustment in certain events.

The following is a summary of certain of the rights, privileges, restrictions and conditions attaching to the July 2022 Warrants. For a complete description of the July 2022 Warrants, please refer the July 2022 Warrant Indenture which has been filed on the Corporation's SEDAR profile, accessible at www.sedar.com.

The July 2022 Warrant Indenture provides for adjustment in the number of Common Shares issuable upon the exercise of the July 2022 Warrants and/or the exercise price thereof upon the occurrence of certain events, including: (i) the subdivision, redivision or change of the Common Shares into a greater number of shares; (ii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares; (iii) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares as a dividend or distribution; (iv) the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares, at a price per share to the holder of less than 95% of the "current market price" as defined in the July 2022 Warrant Indenture, for the Common Shares on

such record date; or (v) the distribution to all or substantially all of the holders of the Common Shares of: (A) securities of any class other than Common Shares or securities of another entity; (B) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares, other than pursuant to a rights offering; (C) evidences of indebtedness; or (D) any property or other assets, including cash.

The July 2022 Warrant Indenture also provides for adjustments in the class and/or number of securities issuable upon exercise of the July 2022 Warrants in the event of certain alterations of the Common Shares, including any subdivision, consolidation or reclassification, and in the event of a capital reorganization of the Corporation, including any amalgamation, merger, or arrangement or a sale or conveyance of the property or assets of the Corporation, as an entirety, or substantially as an entirety, an adjustment shall be made to the terms of the July 2022 Warrants such that the holders shall, upon exercise of the July 2022 Warrants following the occurrence of any of those events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had they exercised their July 2022 Warrants prior to the occurrence of those events. No fractional Common Shares will be issuable to any holder of July 2022 Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. See "*Business of the Corporation - Three Year History - 2022*".

Lender Warrants

The Lender Warrants were issued as a condition to entering into the amendment to create the Second Secured Loan. Holders of Lender Warrants are entitled to purchase, subject to adjustment in certain circumstances, one Common Share at a price \$3.20.

As of December 31, 2022, the Corporation had 2,190,000 Lender Warrants outstanding. On February 28, 2023, the 2,190,000 Lender Warrants, that were issued to a previous lender to the Corporation, expired unexercised. As of the date of this Annual Information Form, the Corporation has nil Lender Warrants outstanding. See "*Business of the Corporation - Three Year History*".

Credit Facility

On February 17, 2022, the Corporation announced the Debt Consolidation. See "*Business of the Corporation - Three Year History - 2021*" and "*Business of the Corporation - Three Year History - 2022*", "*Business of the Corporation - Recent Developments*".

As part of the Debt Consolidation the full amount of the Second Secured Loan was retired on February 28, 2022.

On February 28, 2023, the Corporation entered into the Third A&R Term Loan Agreement with its senior secured lender and expanded the Senior Secured Term Loan by \$375.0 million to \$608.2 million. The loan will amortize over three years, with 42% repayable in the first year, 33% in the second year and 25% in the final year. All principal repayments are subject to an exit fee of 2.5% on the aggregate principal amount of any such payment. The Senior Secured Term Loan bears interest at the rate equal to CDOR plus 11.5% per annum (as such amount may be increased pursuant to the terms of Third A&R Term Loan Agreement). The Senior Secured Term Loan has a revised stated maturity date of February 28, 2026. The financial covenants contained in the Third A&R Term Loan Agreement are as follows:

The Corporation shall not permit at any time:

- i. **Liquidity.** Liquidity (as defined in the Third A&R Term Loan Agreement) to be in an amount less than \$1,000,000;

- ii. **PDP Asset Coverage Ratio.** The PDP Asset Coverage Ratio (as defined in the Third A&R Term Loan Agreement), as of the last day of any fiscal quarter for which financial statements are available, to be less than 1.75 to 1.00;
- iii. **General and Administrative Costs.** The General and Administrative Costs (as defined in the Third A&R Term Loan Agreement) for any calendar year to exceed the General and Administrative Costs Cap (as defined in the Third A&R Term Loan Agreement);
- iv. **First Lien Net Leverage Ratio.** As of the last day of any Test Period (as defined in the Third A&R Term Loan Agreement), the First Lien Net Leverage Ratio (as defined in the Third A&R Term Loan Agreement) to be greater than 1.75 to 1.00; and
- v. **Current Ratio.** As of the last day of any Fiscal Quarter (as defined in the Third A&R Term Loan Agreement), the Current Ratio (as defined in the Third A&R Term Loan Agreement) to be less than 1.00 to 1.00.

As at the date of this Annual Information Form, the Corporation is in compliance with all of the foregoing covenants. A copy of the Third A&R Term Loan Agreement in respect of the Senior Secured Term Loan is available on the Corporation's SEDAR profile at (www.sedar.com).

DIVIDENDS

The Corporation has not declared or paid any dividends on the Common Shares. Any decision to pay dividends on such shares in the future will be made by its Board on the basis of the Corporation's earnings, financial requirements and other conditions existing at such future time. It is not the current intention of the Corporation to pay any dividends on the Common Shares in the near future.

MARKET FOR SECURITIES

Trading Price and Volume

Common Shares

The outstanding Common Shares are traded on the TSXV under the trading symbol "SOIL". The following table sets forth the price range and trading volume of the Common Shares as reported by the TSXV, on a post-Consolidation basis, for the periods indicated:

Period	High (\$)	Low (\$)	Volume
December 2022	2.88	2.22	1,918,322
November 2022	3.12	2.43	3,741,391
October 2022	2.90	2.44	3,369,047
September 2022	2.70	2.25	2,830,412
August 2022	2.80	2.12	3,375,770
July 2022	2.53	1.88	2,085,899
June 2022	2.89	2.33	6,834,801
May 2022	3.26	2.46	3,392,674
April 2022	3.56	2.82	1,813,549
March 2022	3.08	2.70	3,036,902
February 2022	3.69	2.70	1,481,158
January 2022	3.89	3.16	1,277,541

2021 Warrants

The outstanding 2021 Warrants commenced trading on the TSXV under the trading symbol "SOIL.WT" on August 3, 2021. The following table sets forth the price range and trading volume of the 2021 Warrants as reported by the TSXV, for the periods indicated:

Period	High (\$)	Low (\$)	Volume
December 2022	0.02	0.015	2,166,000
November 2022	0.025	0.015	2,277,302
October 2022	0.035	0.01	6,060,400
September 2022	0.03	0.02	3,137,950
August 2022	0.025	0.015	1,052,192
July 2022	0.025	0.015	7,451,091
June 2022	0.04	0.025	15,765,446
May 2022	0.06	0.03	6,015,003
April 2022	0.05	0.04	3,932,000
March 2022	0.045	0.035	8,968,577
February 2022	0.05	0.035	4,807,640
January 2022	0.055	0.04	15,015,500

March 2022 Warrants

The outstanding March 2022 Warrants commenced trading on the TSX-V under the trading symbol "SOIL.WT.A" on March 18, 2022. The following table sets forth the price range and trading volume of the March 2022 Warrants as reported by the TSXV, for the periods indicated:

Period	High (\$)	Low (\$)	Volume
December 2022	0.53	0.37	24,600
November 2022	0.66	0.42	46,000
October 2022	0.56	0.55	15,000
September 2022	0.60	0.48	36,700
August 2022	0.69	0.46	74,600
July 2022	0.59	0.405	41,000
June 2022	1.00	0.46	131,500
May 2022	1.08	0.52	176,451
April 2022	0.68	0.55	591,484
March 18 – 31, 2022	0.70	0.10	1,347,184

July 2022 Warrants

The outstanding July 2022 Warrants commenced trading on the TSXV under the trading symbol "SOIL.WT.B" on July 8, 2022. The following table sets forth the price range and trading volume of the July 2022 Warrants as reported by the TSXV, for the periods indicated:

Period	High (\$)	Low (\$)	Volume
December 2022	0.30	0.145	132,500
November 2022	0.50	0.22	279,000
October 2022	0.30	0.22	82,900
September 2022	0.30	0.20	85,050
August 2022	0.30	0.20	826,272
July 8 – 31, 2022	0.25	0.15	549,815

Prior Sales

The following table summarizes the issuances of Common Shares and securities convertible into Common Shares within the 12 month period ended December 31, 2022, on a post-Consolidation basis.

<u>Date of Issuance</u>	<u>Class of Securities</u>	<u>Number of Securities Issued</u>	<u>Issue/Exercise Price</u>
January 21, 2022	Common Shares ⁽¹⁾	325,312	\$2.40
February 3, 2022	RSUs ⁽²⁾	63,000	N/A
February 23, 2022	2021 Warrants ⁽³⁾	6,506,240	\$3.20 per whole Common Share
March 10, 2022	Common Shares	6,871,000	\$3.00
March 10, 2022	March 2022 Warrants	6,871,000	\$4.00
July 6, 2022	Common Shares	27,181,860	\$2.75
July 6, 2022	July 2022 Warrants	13,590,930	\$3.20
July 6, 2022	Common Shares	145,573	\$2.75
July 6, 2022	July 2022 Warrants	72,786	\$3.20
November 2, 2022	Common Shares ⁽⁴⁾	24,740	\$2.40
November 2, 2022	2021 Warrants ⁽⁵⁾	494,800	\$3.20 per whole Common Share
November 15, 2022	Common Shares ⁽⁶⁾	28,500	\$2.40
November 15, 2022	2021 Warrants ⁽⁷⁾	570,000	\$3.20 per whole Common Share

Notes:

- (1) Represents Common Shares issued upon exercise of 325,312 broker compensation options.
- (2) Issued pursuant to the Share Unit Plan. Each vested RSU entitles the holder to receive, at the discretion of the Board, either: (i) one Common Share; or (ii) a cash amount equal to the closing price of the Common Shares on the last trading date prior to the vesting date. The RSUs will vest over a period of three years, with one third vesting at the end of the first, second and third anniversary of the date of grant.
- (3) Represents 2021 Warrants issued upon exercise of 325,312 broker compensation options.
- (4) Represents Common Shares issued upon exercise of 494,800 broker compensation options.
- (5) Represents 2021 Warrants issued upon exercise of 494,800 broker compensation options.
- (6) Represents Common Shares issued upon exercise of 570,000 broker compensation options.
- (7) Represents 2021 Warrants issued upon exercise of 570,000 broker compensation options.

ESCROWED SECURITIES

As at December 31, 2022, to the knowledge of the Corporation, no securities of the Corporation were subject to escrow or a contractual restriction on transfer.

INFORMATION CONCERNING THE OIL AND NATURAL GAS INDUSTRY

Government Regulation

The oil and natural gas industry in Canada is subject to extensive controls and regulations imposed by various levels of government, and our oil and gas operations are subject to various Canadian federal, provincial, territorial, and local laws and regulations. These laws and regulations may be changed in response to economic or political conditions, and regulate, among other things, land tenure and the exploration, development, production, handling, storage, transportation, and disposal of oil and gas, oil and gas by-products, and other substances and materials produced or used in connection with oil and gas operations.

More particularly, matters subject to current governmental regulation and/or pending legislative or regulatory changes include the licensing for drilling of wells, the method and ability to produce wells, surface usage, transportation of production from wells, conservation matters, the discharge or other release into the environment of wastes and other substances in connection with drilling and production activities (including fracture stimulation operations), bonds or other financial responsibility requirements to cover drilling contingencies and well plugging and abandonment costs, reports concerning our operations, the spacing of wells, unitization and pooling of properties, and royalties and taxation. Failure to comply with the laws and regulations in effect from time to time may result in the assessment of administrative, civil, and criminal penalties, the imposition of remedial obligations, and the issuance of injunctions that could delay, limit, or prohibit certain of our operations. The Corporation cannot predict the ultimate cost of compliance with these requirements or their effect on our operations.

Federal authorities do not regulate the price of oil and gas in export trade. Legislation exists, however, that regulates the quantities of oil and natural gas which may be removed from the provinces and exported from Canada in certain circumstances. At various times, regulatory agencies have imposed price controls and limitations on oil and gas production. In order to conserve supplies of oil and gas, these agencies may also restrict the rates of flow of oil and gas wells below actual production capacity.

Although Saturn does not expect that these controls and regulations will affect the operations of Saturn in a manner materially different than they would affect other oil and gas companies of similar size, the controls and regulations should be considered carefully by investors in the oil and gas industry. All current legislation is a matter of public record and Saturn is unable to predict what additional legislation or amendments may be enacted.

Pricing and Marketing

Oil

In Canada, the producers of oil are entitled to negotiate sales contracts directly with oil purchasers, which means that the market determines the price of oil. Oil prices are primarily based on worldwide supply and demand, but regional market and transportation issues also influence prices. Specific prices that a producer receives will depend, in part, on oil quality, prices of competing fuels, distance to market, access to downstream transportation, value of refined products, length of contract term, weather conditions, the balance of supply and demand and other contractual terms. Global oil markets have recovered significantly from price drops resulting from the COVID-19 pandemic. In 2022, oil prices have risen to the highest levels since 2014 due to tight supply and a resurgence in demand. OPEC forecasts robust growth in world oil demand in 2023, spurred by the relaxation of China's zero-COVID-policy. OPEC predicts global oil demand to rise by 2.25 million barrels per day in 2023, despite newly emerging COVID-19 variants, expected rate increases in major economies and other uncertainties with respect to the world economy. In February 2022, Russian military forces invaded Ukraine. Ongoing military tensions between Russia and Ukraine have significantly impacted the supply of oil and gas from the region. Additionally, certain countries including Canada and the United States have imposed strict financial and trade sanctions against Russia, which sanctions may have far reach effects of the global economy in addition to the near term effects on Russia. The long-term impacts of the tension between these nations remains uncertain.

Producers of crude oil, bitumen, and bitumen blend negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of such commodities. The price depends, in part, on product quality, prices of competing fuels, distance to market, the value of refined products, the supply/demand balance, other contractual terms, and the world price of oil.

See "*Risk Factors – COVID-19 Pandemic and Related Risks*" and "*Risk Factors – Commodity Prices, Markets and Marketing*".

Natural Gas Liquids

The pricing of condensates and other NGLs such as ethane, butane, propane and pentane plus sold in intra-provincial, interprovincial and international trade is determined by negotiation between buyers and sellers. The profitability of NGLs extracted from natural gas is based on the products extracted being of greater economic value as separate commodities than as components of natural gas and therefore commanding higher prices. Such prices depend, in part, on the quality of the NGLs, price of competing chemical stock, distance to market, access to downstream transportation, length of contract term, supply/demand balance and other contractual terms.

Natural Gas

Negotiations between buyers and sellers determines the price of natural gas sold in intra-provincial, interprovincial and international trade. The price received by a natural gas producer depends, in part, on the price of competing natural gas supplies and other fuels, natural gas quality, distance to market, availability of transportation, length of contract term, weather conditions, supply/demand balance and other contractual terms of sale. Spot and future prices can also be influenced by supply and demand fundamentals on various trading platforms.

Exports from Canada

The Canada Energy Regulator (the "**CER**") regulates the export of oil, natural gas and NGLs from Canada through the issuance of short-term orders and longer-term licences pursuant to its authority under the Canadian Energy Regulator Act (the "**CERA**"). Exporters are free to negotiate prices and other terms with purchasers, provided that the export contracts continue to meet certain criteria prescribed by the CER and the federal government. We do not directly enter into contracts to export our production outside of Canada.

Transportation Constraints, Pipeline Capacity and Market Access

As discussed in more detail below, one major constraint to the export of crude oil, NGLs and natural gas is the deficit of transportation capacity to transport production from Western Canada to Eastern Canada, the United States and other international markets. Although certain pipeline and other transportation and export projects have been announced or are underway, many proposed projects have been cancelled or delayed due to regulatory hurdles, court challenges and economic and other socio-political factors. Due in part to growing production and a lack of new and expanded pipeline and rail infrastructure capacity, western Canadian producers, including those in Saskatchewan, have experienced low commodity pricing relative to other markets in the last several years.

Pipelines

Producers negotiate with pipeline operators to transport their products to market on a firm, spot or interruptible basis depending on the specific pipeline and the specific substance. Transportation availability is highly variable across different jurisdictions and regions. This variability can determine the nature of transportation commitments available, the number of potential customers and the price received.

Export pipelines from Canada to the United States face additional unpredictability as such pipelines require approvals of several levels of government in the United States

Under the Canadian constitution, interprovincial and international pipelines fall within the federal government's jurisdiction and require a regulatory review and approval by the cabinet of the Canadian federal government before they can proceed. However, recent years have seen a perceived such that, even when projects are approved they often face delays due to actions taken by provincial and municipal governments, public interest groups and legal opposition related to issues such as Indigenous rights and title, the government's duty to consult and accommodate Indigenous peoples and the sufficiency of all relevant environmental review processes. Export pipelines from

Canada to the United States face additional unpredictability as such pipelines require approvals of several levels of government in the United States.

In the face of such regulatory uncertainty, the Canadian crude oil and natural gas industry has experienced significant difficulty expanding the existing network of transportation infrastructure for crude oil, natural gas and NGLs, including pipelines, rail, trucks and marine transport. Improved access to global markets through the Midwest United States and export shipping terminals on the west coast of Canada could help to alleviate downward pressure on commodity prices. Several proposals have been announced to increase pipeline capacity from Western Canada to Eastern Canada, the United States, and other international markets via export terminals. While certain projects are proceeding, the regulatory approval process and other factors related to transportation and export infrastructure have led to the delay, suspension or cancellation of a number of pipeline projects.

Specific Pipeline Updates

The Trans Mountain Pipeline expansion received Cabinet approval in November 2016. Following a period of political opposition in British Columbia, the federal government acquired the Trans Mountain Pipeline in August 2018. Following the resolution of a number of legal challenges and a second regulatory hearing, construction on the Trans Mountain Pipeline expansion commenced in late 2019. Earlier estimated at \$12.6 billion, the project budget has risen to \$21.4 billion as of February 2022. The pipeline is expected to be in service in the third quarter of 2023, an extension from Trans Mountain's December initial 2022 estimate. The budget increase and in-service date delay have been attributed to, among other things, the ongoing effects of the COVID-19 pandemic and the widespread flooding in British Columbia in late 2021.

In November 2020, the Attorney General of Michigan filed a lawsuit to terminate an easement that allows the Enbridge Line 5 pipeline system to operate below the Straits of Mackinac, potentially forcing the lines comprising this segment of the pipeline system to be shut down by May 2021. In January 2021, Enbridge Inc. stated its intentions to defy the shut down order, as the dual pipelines are in full compliance with U.S. federal safety standard. The Government of Canada invoked a 1977 treaty with the United States on October 4, 2021, triggering bilateral negotiations over the pipeline. In August 2022, the United States District Court for Western Michigan rejected the Attorney General's efforts to move the dispute to Michigan State Court, citing important federal interests at stake in having the dispute heard in Federal Court. Michigan's Attorney General intendeds to appeal the decision. In September 2022, the District Court of Wisconsin ruled in favour of the Bad River Band in its dispute with Enbridge Inc. over the Enbridge Line 5 pipeline system in that state. The Court ruled that the Bad River Band is entitled to financial compensation, and ordered Enbridge Inc. to reroute the pipeline around Bad River territory within five years, but stopped short of ordering the system to be shut down.

Marine Tankers

Bill C-48 received royal assent on June 21, 2019, enacting the *Oil Tanker Moratorium Act*, which imposes a ban on tanker traffic transporting crude oil or persistent crude oil products in excess of 12,500 metric tonnes to and from ports located along British Columbia's north coast. The ban may prevent pipelines being built to, and export terminals being located on, the portion of the British Columbia coast subject to the moratorium. See "*Information Concerning the Oil and Natural Gas Industry – Regulatory Authorities and Environmental Regulation – Federal*".

Natural Gas and Liquefied Natural Gas ("LNG")

Natural gas prices in Western Canada have been constrained in recent years due to increasing North American supply, limited access to markets and limited storage capacity. Companies that secure firm access to infrastructure to transport their natural gas production out of Western Canada may be able to access more markets and obtain better pricing. Companies without firm access may be forced to accept spot pricing in Western Canada for their natural gas, which is generally lower than the prices received in other North American regions.

Required repairs or upgrades to existing pipeline systems in Western Canada have also led to reduced capacity and apportionment of access, the effects of which have been exacerbated by storage limitations. In October 2020, TC Energy Corporation received federal approval to expand the Nova Gas Transmission Line system (the "**NGTL System**") and the expanded NGTL System was completed in April 2022.

Specific Pipeline and Proposed LNG Export Terminal Updates

While a number of LNG export plants have been proposed in Canada, regulatory and legal uncertainty, social and political opposition and changing market conditions have resulted in the cancellation or delay of many of these projects. Nonetheless, in October 2018, the joint venture partners of the LNG Canada LNG export terminal announced a positive final investment decision. Once complete, the project will allow producers in Northeastern British Columbia to transport natural gas to the LNG Canada liquefaction facility and export terminal in Kitimat, British Columbia via the Coastal GasLink pipeline (the "**CGL Pipeline**"). With more Alberta and Northeastern British Columbia gas egressing through the CGL Pipeline, the NGTL System is expected to have more capacity, which may result in a closer link between AECO and NYMEX gas prices. Phase 1 of the LNG Canada project reached 70% completion in October 2022, with a completion target of 2025.

In May 2020, TC Energy Corporation sold a 65% equity interest in the CGL Pipeline to investment companies KKR & Co Inc. and Alberta Investment Management Corporation while remaining the pipeline operator. Despite its regulatory approval, the CGL Pipeline has faced legal and social opposition. For example, protests involving the Hereditary Chiefs of the Wet'suwet'en First Nation and their supporters have delayed construction activities on the CGL Pipeline, although construction is proceeding. As of November 2022, construction of the CGL Pipeline was approximately 80% complete.

Woodfibre LNG Limited issued a notice to proceed with construction of the Woodfibre LNG project to its prime contractor in April 2022. The Woodfibre LNG project is located near Squamish, British Columbia, and upon completion will produce approximately 2.1 million tonnes of LNG per year. Major construction is set to commence in 2023, with substantial completion of the project expected in late 2027. In November 2022, Enbridge Inc. completed a transaction with Pacific Energy Corporation Limited, the owner of Woodfibre LNG Limited, to retain a 30% ownership stake in the project.

In addition to LNG Canada, the CGL Pipeline and the Woodfibre LNG project, a number of other LNG projects are underway at varying stages of progress, though none have reached a positive final investment decision.

International Trade Agreements

NAFTA / USMCA

On July 1, 2020, the North American Free Trade Agreement ("**NAFTA**"), a free trade agreement among the governments of Canada, the United States and Mexico, was replaced by a new trade agreement, widely referred to as the USMCA, and sometimes referred to as the United States Mexico Canada Agreement. As the United States remains Canada's primary trading partner and the largest international market for the export of oil, natural gas and NGLs from Canada, the implementation of the USMCA could have an impact on Western Canada's oil and gas industry at large, including the Corporation's business. While the proportionality rules in Article 605 of NAFTA previously prevented Canada from implementing policies that limit exports to the United States and Mexico relative to the total supply produced in Canada, the USMCA does not contain the same proportionality requirements. This may allow Canadian producers to develop a more diversified export portfolio than was possible

under NAFTA, subject to the construction of infrastructure allowing more Canadian production to reach eastern Canada, Asia and Europe.

Other Trade Agreements

Canada and ten other countries recently concluded discussions and agreed on the draft text of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("**CPTPP**"), which is intended to allow for preferential market access among the countries that are parties to the CPTPP. The CPTPP is in force among the first seven countries to ratify the agreement: Canada, Australia, Japan, Mexico, New Zealand, Vietnam and Singapore.

Canada has also pursued a number of other international free trade agreements with countries around the world and, as a result, a number of free trade or similar agreements are in force between Canada and certain other countries. Canada and the European Union recently agreed to the Comprehensive Economic and Trade Agreement ("**CETA**"), which provides for duty-free, quota-free market access for Canadian crude oil and natural gas products to the European Union. Although CETA has not received full ratification by national legislatures in the European Union, provisional application of CETA commenced on September 21, 2017. In light of the United Kingdom's departure from the European Union (Brexit) on January 31, 2020, the United Kingdom and Canada have reached an interim post-Brexit trade agreement, the Canada-United Kingdom Trade Continuity Agreement ("**CUKTCA**"). On December 9, 2020, the Government of Canada introduced Bill C-18, an Act to Implement the Trade Continuity Agreement, which received royal assent on March 17, 2021. CETA ceased to apply to Canada-United Kingdom trade on January 1, 2021, and CUKTCA came into force on April 1, 2021. The CUKTCA replicates CETA on a bilateral basis and is meant to maintain the status quo of the Canada-United Kingdom trade relationship.

While it is uncertain what effect CETA, CPTPP, CUKTCA or any other trade agreements will have on the oil and gas industry in Canada, the lack of available infrastructure for the offshore export of oil and gas may limit the ability of Canadian oil and gas producers to benefit from such trade agreements.

Land Tenure

Crude oil and natural gas located in the western provinces is owned predominantly by the respective provincial governments (i.e. the Crown). Rights are granted to energy companies to explore for and produce oil and natural gas pursuant to leases, licenses, and permits and regulations as legislated by the respective Provincial governments. Lease terms vary in length, usually from two to five years. Other terms and conditions to maintain a mineral lease are set forth in the relevant legislation or are negotiated.

Jurisdictions in western Canada, including the province of Saskatchewan have legislation in place for mineral rights reversion to the Crown where formations cannot be shown to be capable of production at the end of their primary lease term. Such legislation may also include mechanisms available to energy companies to "continue" lease terms for non-productive lands, having met certain criteria as laid out in the relevant legislation. In response to COVID-19, the government of Saskatchewan announced measures to extend or continue Crown leases that may have otherwise expired in the months following the implementation of pandemic response measures.

Oil and natural gas can also be privately owned and rights to explore for and produce such oil and natural gas are granted by lease on such terms and conditions as may be negotiated.

Royalties and Incentives

General

For crude oil, natural gas and related production from Federal or Provincial government lands, the royalty regime is a significant factor in the profitability of our production. Crown royalties payable in respect of crown lands are determined by governmental regulation and are typically calculated as a percentage of the value of gross

production. The value of the production and the rate of royalties payable generally depend on prescribed reference prices, well productivity, geographical location, the field discovery rate and the type of product produced.

Royalties payable on production from privately owned lands are determined by negotiations between the mineral owner and the resource owner, although production from such lands is subject to certain provincial taxes and royalties. Any such royalties (or royalty-like interests) are carved out of the working interest owner's interest through non-public transactions and are often referred to as overriding royalties, gross overriding royalties, net profit interests or net carried interests.

From time to time, provincial governments have established incentive programs for exploration and development. Such programs often provide for royalty reductions, credits and holidays, and are generally introduced when commodity prices are low. The programs are designed to encourage exploration and development activity by improving earnings and cash flow within the industry. In addition, the programs may be introduced to encourage producers to prioritize certain kinds of development or undertake initiatives using new technologies that may enhance or improve recovery of crude oil, NGLs and natural gas, or improve environmental performance.

In addition, the federal government and the provincial governments in Western Canada may from time to time provide incentives to the oil and gas industry. Recently, these programs, including, but not limited to, programs that provide direct financial support to companies operating in the petroleum and natural gas industry and/or targeted funding for various initiatives related to industry diversification and environmental matters, including those programs created in response to the COVID-19 pandemic, have been administered through federal agencies such as the Business Development Bank of Canada, Natural Resources Canada, Export Development Canada, and Innovation, Science and Economic Development Canada.

Producers and working interest owners of oil and natural gas rights may also create additional royalties or royalty-like interests through non-public transactions, which include the creation of instruments such as overriding royalties, net profits interests and net carried interests, the terms of which are subject to negotiation.

Saskatchewan

In Saskatchewan, the Crown owns approximately 80% of the oil and gas rights, with the remainder being freehold lands. For the Crown lands, taxes (the "**Resource Surcharge**") and royalties are applicable to revenue generated by corporations focused on oil and gas operations. Crown royalties payable on the production of crude oil and natural gas are paid on a well-by-well basis. Producers of crude oil and natural gas receive royalty invoices from the Government of Saskatchewan on a monthly basis. The Resource Surcharge rate is 3% of the value of sales of all crude oil and natural gas produced from wells drilled in Saskatchewan prior to October 1, 2002. For crude oil and natural gas produced from wells drilled in Saskatchewan after September 30, 2002, the Resource Surcharge rate is 1.7% of the value of sales. Additionally, a mineral rights acreage tax is charged to mineral rights holders paid on an annual basis at the rate of \$3.70 per hectare owned regardless of whether or not there is production from the lands.

In addition to such surcharges and taxes, the Crown royalty rate payable in respect of crude oil, depends on a number of variables including, the type and vintage of crude oil, the quantity of crude oil produced in a month, the average wellhead price and certain price adjustment factors determined monthly by the provincial government. This means that producers may pay varying royalties each month, depending on monthly production, governmental price adjustments and the underlying characteristics of the producer's assets. Where production equals the relevant reference well production rate, the minimum Crown royalty rate payable ranges from 5% to 20% and the maximum royalty rate payable ranges from 25% to 45%, depending on the classification of the crude oil, the average wellhead price and subject to applicable deductions. Base royalty rates represent the minimum royalty rate payable on production of petroleum substances, regardless of the level of production. Marginal royalty rates charge increasing royalty rates as the level of production increases. Marginal royalty rates, such as those

used in Saskatchewan's royalty regime, are designed to allow producers of petroleum products to more quickly recover initial investments at the beginning of a project's life cycle.

The amount payable as a Crown royalty in respect of production of natural gas and NGLs is determined by a sliding scale based on the monthly provincial average gas price published by the Government of Saskatchewan, the quantity produced in a given month, the type of natural gas, the classification of the natural gas and the finished drilling date of the respective well. Similar to crude oil royalties, the royalties payable on natural gas will range from 0% to 20%, and additional marginal royalty rates may apply between 30% to 45%, where average wellhead prices are above base prices. Again, this means that producers may pay varying royalties each month, depending on pricing factors, governmental adjustments and the underlying characteristics of the producer's assets.

The Government of Saskatchewan currently provides a number of targeted incentive programs. These include both royalty reduction and incentive volume programs, with targeted programs in effect for certain vertical crude oil wells, exploratory gas wells, horizontal crude oil and natural gas wells, enhanced crude oil recovery wells and high water-cut crude oil wells. As of April 1, 2021, on associated gas produced from wells other than gas wells, including natural gas produced from oil wells, the Minister of Energy and Resources implemented a 5-year Associated Gas Royalty Moratorium on the collection of Crown Royalty and Freehold Production Tax. The moratorium is in connection with the Government of Saskatchewan's Growth Plan and is aimed at meeting the Government of Saskatchewan's regulatory obligations to reduce methane-based GHG emissions by 40 to 45% between 2020 and 2025. The Associated Gas Royalty Moratorium is applicable to natural gas produced on or after April 1, 2021 and before April 1, 2026.

The Government of Saskatchewan also has a drilling incentive whereby qualifying incentive volumes of newly drilled oil wells are subject to a maximum royalty rate of 2.5% for Crown production and a maximum production tax rate of 0% for freehold production.

Royalty rates for the production of privately-owned crude oil and natural gas are negotiated between the producer and the resource owner. In addition, producers must pay a freehold production tax, determined by first establishing the Crown royalty rate, and then subtracting a calculated production tax factor that depends on the classification of the petroleum substance produced.

Freehold royalties and taxes

Royalty rates for the production of privately owned oil and natural gas are negotiated between the mineral freehold owner and the lessee under a negotiated lease or other contract. Producers and working interest participants may also pay additional royalties to parties other than the freehold mineral owner where such royalties are negotiated through private transactions.

In addition, producers must pay a freehold mineral taxes or production taxes. Freehold mineral taxes or production taxes are taxes levied by a provincial government on crude oil and natural gas production from lands where the Crown does not hold the mineral rights. A description of the freehold mineral taxes payable in the Province of Saskatchewan is included in the above descriptions of the royalty regime.

Production and Operation Regulation

The oil and natural gas industry in Canada is highly regulated and subject to significant control by provincial regulators. Regulatory approval is required for, among other things, the drilling of oil and natural gas wells, construction and operation of facilities, the storage, injection and disposal of substances and the abandonment and reclamation of well-sites. In order to conduct oil and gas operations and remain in good standing with the applicable provincial regulator, Saturn must comply with applicable legislation, regulations, orders, directives and other directions (all of which are subject to governmental oversight, review and revision, from time to time).

Compliance with such legislation, regulations, orders, directives or other directions can be costly and a breach of the same may result in fines or other sanctions.

Regulatory Authorities and Environmental Regulation

As an operator of oil and natural gas properties in Canada, we are subject to stringent federal, provincial, territorial, and local laws and regulations relating to environmental protection as well as controlling the manner in which various substances, including wastes generated in connection with oil and gas exploration, production, and transportation operations, are released into the environment. Compliance with these laws and regulations can affect the location or size of wells and facilities, prohibit or limit the extent to which exploration and development may be allowed, and require proper abandonment of wells and restoration of properties when production ceases. Failure to comply with these laws and regulations may result in the assessment of administrative, civil, or criminal penalties, imposition of remedial obligations, incurrence of capital or increased operating costs to comply with governmental standards, and even injunctions that limit or prohibit exploration and production activities or that constrain the disposal of substances generated by oil field operations.

In addition to these specific, known requirements, future changes to environmental legislation, including anticipated legislation for air pollution and GHG emissions including carbon dioxide equivalents ("**CO₂e**"), may impose further requirements on operators and other companies in the crude oil and natural gas industry.

Federal

Canadian environmental regulation is the responsibility of both the federal and provincial governments. While provincial governments and their delegates are responsible for most environmental regulation, the federal government can regulate environmental matters where they impact matters of federal jurisdiction or when they arise from projects that are subject to federal jurisdiction, such as interprovincial transportation undertakings, including pipelines and railways, and activities carried out on federal lands. Where there is a direct conflict between federal and provincial environmental legislation in relation to the same matter, the federal law will prevail. The federal government has primary jurisdiction over federal works, undertakings and federally regulated industries such as railways, aviation and interprovincial transport including interprovincial pipelines. The CERA and the CEAA provide the foundation for the federal government to protect the environment and cooperate with provinces to do the same.

The CERA and the Impact Assessment Act (the "**IAA**") provide a number of important elements to the regulation of federally regulated major projects and their associated environmental assessments. However, the CERA separates the CER's administrative and adjudicative functions. The CER has jurisdiction over matters such as the environmental and economic regulation of pipelines, transmission infrastructure and certain offshore renewable energy projects. In its adjudicative role, the CERA tasks the CER with reviewing applications for the development, construction and operation of many of these projects, culminating in their eventual abandonment.

The IAA relies on a designated project list as a trigger for a federal assessment. Designated projects that may have effects on matters within federal jurisdiction will generally require an impact assessment administered by the Impact Assessment Agency (the "**IA Agency**") or, in the case of certain pipelines, a joint review panel comprised of members from the CER and the IA Agency. The impact assessment requires consideration of the project's potential adverse effects and the overall societal impact that a project may have, both of which may include a consideration of, among other items, environmental, biophysical and socio-economic factors, climate change, and impacts to Indigenous rights. It also requires an expanded public interest assessment. Designated projects specific to the oil and gas industry include pipelines that require more than 75km of new rights of way and pipelines located in national parks, large scale in situ oil sands projects not regulated by provincial GHG emissions caps and certain refining, processing and storage facilities.

The federal government has stated that an objective of the legislative changes was to improve decision certainty and turnaround times. Once a review or assessment is commenced under either the CERA or IAA, there are limits on the amount of time the relevant regulatory authority will have to issue its report and recommendation. Designated projects will go through a planning phase to determine the scope of the impact assessment, which the federal government has stated should provide more certainty as to the length of the full review process.

In May 2022, the Alberta Court of Appeal released its decision in response to the Government of Alberta's submission of a reference question regarding the constitutionality of the IAA. The Court found the IAA to be unconstitutional in its entirety, stating that the legislation effectively granted the federal government a veto over projects that were wholly within provincial jurisdictions. Shortly after the decision was released, the Government of Canada announced its intention to appeal the decision to the Supreme Court of Canada.

Saskatchewan

The Saskatchewan Ministry of Energy and Resources is the primary regulator of oil and natural gas activities in the province. The Oil and Gas Conservation Act (the "**SKOGCA**") is the statute governing the regulation of resource development operations in the province, along with The Oil and Gas Conservation Regulations, 2012 and The Petroleum Registry and Electronic Documents Regulations. The Government of Saskatchewan has implemented a number of operational requirements, including an increased demand for record-keeping, increased testing requirements for injection wells and increased investigation and enforcement powers; and, procedural requirements including those related to Saskatchewan's participation as a partner in the Petrinex Database. The Petrinex Database delivers business processes and information required for the assessment, levy, and collection of crown royalties for Alberta, Saskatchewan, Manitoba and British Columbia. It provides information in support of the regulatory mandates and legislation of the provinces, and services that facilitate important industry commercial activities, including partner to partner reporting, oil marketing, financial analytics, compliance assurance and production accounting.

Accountability and Transparency

In 2015, the federal government's *Extractive Sector Transparency Measures Act* (the "**ESTMA**") came into effect, which imposed mandatory reporting requirements on certain entities engaged in the commercial development of oil, gas or minerals, which includes exploration, extraction and holding permits to explore or extract. All companies must report payments over CAD\$100,000 made to any level of a Canadian or foreign government (including Indigenous groups), including royalty payments, taxes (other than consumption taxes and personal taxes), fees, production entitlements, bonuses, dividends (other than ordinary dividends paid to shareholders), infrastructure improvement payments and other prescribed categories of payments.

Indigenous Rights

Constitutionally mandated government-led consultation with and, if applicable, accommodation of, Indigenous groups impacted by regulated industrial activity, as well as proponent-led consultation and accommodation or benefit sharing initiatives, play an increasingly important role in the Western Canadian oil and gas industry. In addition, Canada is a signatory to the *United Nations Declaration of the Rights of Indigenous Peoples* ("**UNDRIP**") and the principles set forth therein may continue to influence the role of Indigenous engagement in the development of the oil and gas industry in Western Canada. For example, in November 2019, the *Declaration on the Rights of Indigenous Peoples Act* ("**DRIPA**") became law in British Columbia. The DRIPA aims to align British Columbia's laws with UNDRIP. In June 2021, the *United Nations Declaration on the Rights of Indigenous Peoples Act* ("**UNDRIP Act**") came into force in Canada. Similar to British Columbia's DRIPA, the UNDRIP Act requires the Government of Canada to take all measures necessary to ensure the laws of Canada are consistent with the principles of UNDRIP and to implement an action plan to address UNDRIP's objectives.

On June 21, 2022, the Minister of Justice and Attorney General issued the First Annual Progress Report on the implementation of the UNDRIP Act (the "**Progress Report**"). The Progress Report provides that, as of June 2022, the federal government has sought to implement the UNDRIP Act by, among other things, creating a Secretariat within the Department of Justice to support Indigenous participation in the implementation of UNDRIP, consulting with Indigenous peoples to identify their priorities, drafting an action plan to align federal laws with UNDRIP, and implementing efforts to educate federal departments on UNDRIP's principles.

Continued development of common law precedent regarding existing laws relating to Indigenous consultation and accommodation as well as the adoption of new laws such as DRIPA and the UNDRIP Act are expected to continue to add uncertainty to the ability of entities operating in the Canadian oil and gas industry to execute on major resource development and infrastructure projects, including, among other projects, pipelines. The Government of Canada has expressed that implementation of the UNDRIP Act has the potential to make meaningful change in how Indigenous peoples collaborate in impact assessment moving forward, but has confirmed that the current IAA already establishes a framework that aligns with UNDRIP and does not need to be changed in light of the UNDRIP Act.

On June 29, 2021, the British Columbia Supreme Court issued a judgement in *Yahey v British Columbia* (the "**Blueberry Decision**"), in which it determined that the cumulative impacts of industrial development on the traditional territory of the Blueberry River First Nation ("**BRFN**") in Northeast British Columbia had breached the BRFN's rights guaranteed under Treaty 8. The Blueberry Decision may have significant impacts on the regulation of industrial activities in Northeast British Columbia, and may lead to similar claims of cumulative effects across Canada in other areas covered by numbered treaties, as has been seen in Alberta.

On January 18, 2023, the Government of British Columbia and the BRFN signed the Blueberry River First Nations Implementation Agreement (the "**BRFN Agreement**"). The BRFN Agreement aims to address the cumulative effects of development on BRFN's claim area through restoration work, establishment of areas protected from industrial development, and a constraint on development activities. Such measures will remain in place while a long-term cumulative effects management regime is implemented. Specifically, the BRFN Agreement includes, among other measures, the establishment of a \$200-million restoration fund by June 2025, an ecosystem-based management approach for future land-use planning in culturally important areas, limits on new petroleum and natural gas development, and a new planning regime for future oil and gas activities. The BRFN will receive \$87.5 million over three years, with an opportunity for increased benefits based on petroleum and natural gas revenue sharing and provincial royalty revenue sharing in the next two fiscal years.

The BRFN Agreement has acted as a blueprint for other agreements between the Government of British Columbia and Indigenous groups in Treaty 8 territory. In late January 2023, the Government of British Columbia and four Treaty 8 First Nations – Fort Nelson, Salteau, Halfway River and Doig River First Nations – reached consensus on a collaborative approach to land and resource planning (the "**Consensus Agreement**"). The Consensus Agreement implements various initiatives including a "cumulative effects" management system linked to natural resource landscape planning and restoration initiatives, new land-use plans and protection measures, and a new revenue-sharing approach to support the priorities of Treaty 8 First Nations communities.

In July 2022, Duncan's First Nation filed a lawsuit against the Government of Alberta relying on similar arguments to those advanced successfully by the BRFN. Duncan's First Nation claims in its lawsuit that Alberta has failed to uphold its treaty obligations by authorizing development without considering the cumulative impacts on the First Nation's treaty rights. The long-term impacts of the Blueberry Decision and the Duncan's First Nation lawsuit on the Canadian oil and gas industry remain uncertain.

Climate Change Regulation

Climate change regulation at each of the international, federal and provincial levels has the potential to significantly affect the regulation of the oil and natural gas industry in Canada. These impacts are uncertain and

it is not possible to predict the extent of future requirements. Any new laws and regulations (or additional requirements to existing laws and regulations) could have a material impact on the Corporation's operations and cash flow.

Federal

Canada has been a signatory to the United Nations Framework Convention on Climate Change (the "UNFCCC") since 1992. Since its inception, the UNFCCC has instigated numerous policy changes with respect to climate governance. On April 22, 2016, 197 countries signed the Paris Agreement, committing to prevent global temperatures from rising more than 2° Celsius above pre-industrial levels and to pursue efforts to limit this rise to no more than 1.5° Celsius. To date, 189 of the 197 parties to the UNFCCC have ratified the Paris Agreement, including Canada. In 2016, Canada committed to reducing its emissions by 30% below 2005 levels by 2030. In 2021, Canada updated its original commitment by pledging to reduce emissions by 40-45% below 2005 levels by 2030, and to net-zero by 2050.

During the course of the 2021 United Nations Climate Change Conference in Glasgow, Scotland, Canada made several pledges aimed at reducing Canada's GHG emissions and environmental impact, including: (i) reducing methane emissions in the oil and gas sector to 75% of 2012 levels by 2030; (ii) ceasing the export of thermal coal by 2030; (iii) imposing a cap on emissions from the oil and gas sector; (iv) halting direct public funding to the global fossil fuel sector by the end of 2022; and (v) committing that all new vehicles sold in the country will be zero-emission on or before 2040.

In line with Canada's pledge to impose a cap on emissions from the oil and gas sector, the federal government published a discussion paper on July 18, 2022 that outlines two potential regulatory options for such a cap. Those proposed options are either to: (i) implement a new cap-and-trade system that would set a limit on emissions from the sector; or (ii) modify the existing pollution pricing benchmark (as discussed below) to limit emissions from the sector. These options are currently under review and interested parties had the opportunity to make submissions regarding the proposed cap, ending in September 2022. The form of emissions cap on the oil and gas sector and the overall effect of such a cap remain uncertain.

The Government of Canada released the Pan-Canadian Framework on Clean Growth and Climate Change in 2016, setting out a plan to meet the federal government's 2030 emissions reduction targets. On June 21, 2018, the federal government enacted the Greenhouse Gas Pollution Pricing Act (the "GGPPA"), which came into force on January 1, 2019. This regime has two parts: an output-based pricing system ("OBPS") for large industry (enabled by the Output-Based Pricing System Regulations) and a fuel charge (enabled by the Fuel Charge Regulations), both of which impose a price on CO₂e emissions. This system applies in provinces and territories that request it and in those that do not have their own equivalent emissions pricing systems in place that meet the federal standards and ensure that there is a uniform price on emissions across the country. Originally under the federal plans, the price was set to escalate by \$10 per year until it reached a maximum price of \$50/tonne of CO₂e in 2022; however, on December 11, 2020, the federal government announced its intention to continue the annual price increases beyond 2022. Commencing in 2023, the benchmark price per tonne of CO₂e will increase by \$15 per year until it reaches \$170/tonne of CO₂e in 2030. Effective January 1, 2023, the minimum price permissible under the GGPPA rose to \$65/tonne of CO₂e. While several provinces challenged the constitutionality of the GGPPA following its enactment, the Supreme Court of Canada confirmed its constitutional validity in a judgment released on March 25, 2021.

On April 26, 2018, the federal government passed the Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector) (the "Federal Methane Regulations"). The Federal Methane Regulations seek to reduce emissions of methane from the oil and natural gas sector, and came into force on January 1, 2020. By introducing a number of new control measures, the Federal Methane Regulations aim to reduce unintentional leaks and the intentional venting of methane and ensure that oil

and natural gas operations use low-emission equipment and processes. Among other things, the Federal Methane Regulations limit how much methane upstream oil and natural gas facilities are permitted to vent. The federal government anticipates that these actions will reduce annual GHG emissions by about 20 megatonnes by 2030.

The federal government has enacted the Multi-Sector Air Pollutants Regulation under the authority of the Canadian Environmental Protection Act, 1999, which regulates certain industrial facilities and equipment types, including boilers and heaters used in the upstream oil and gas industry, to limit the emission of air pollutants such as nitrogen oxides and sulphur dioxide.

In the November 23, 2021 Speech from the Throne, the federal government restated its commitment to achieve net-zero emission by 2050. In pursuit of this objective, the government's proposed actions include: (i) moving to cap and cut oil and gas sector emissions; (ii) investing in public transit and mandating the sale of zero-emission vehicles; (iii) increasing the federally imposed price on pollution; (iv) investing in the production of cleaner steel, aluminum, building products, cars, and planes; (v) addressing the loss of biodiversity by continuing to strengthen partnerships with First Nations, Inuit, and Métis, to protect nature and the traditional knowledge of those groups; (vi) creating a Canada Water Agency to safeguard water as a natural resource and support Canadian farmers; (vii) strengthening action to prevent and prepare for floods, wildfires, droughts, coastline erosion, and other extreme weather worsened by climate change; and (viii) helping build back communities impacted by extreme weather events through the development of Canada's first-ever National Adaptation Strategy.

The Canadian Net-Zero Emissions Accountability Act (the "CNEAA") received royal assent on June 29, 2021, and came into force on the same day. The CNEAA binds the Government of Canada to a process intended to help Canada achieve net-zero emissions by 2050. It establishes rolling five-year emissions-reduction targets and requires the government to develop plans to reach each target and support these efforts by creating a Net-Zero Advisory Body. The CNEAA also requires the federal government to publish annual reports that describe how departments and Crown corporations are considering the financial risks and opportunities of climate change in their decision-making. A comprehensive review of the CNEAA is required every five years from the date the CNEAA came into force.

The Government of Canada introduced its 2030 Emissions Reduction Plan (the "2030 ERP") on March 29, 2022. In the 2030 ERP, the Government of Canada proposes a roadmap for Canada's reduction of GHG emissions to 40-45% below 2005 levels by 2030. As the first emissions reduction plan issued under the CNEAA, the 2030 ERP aims to reduce emissions by incentivizing electric vehicles and renewable electricity, and capping emissions from the oil and gas sector, among other measures.

On June 8, 2022, the Canadian Greenhouse Gas Offset Credit System Regulations were published in the Canada Gazette. The regulations establish a regulatory framework to allow certain kinds of projects to generate and sell offset credits for use in the federal OBPS through Canada's Greenhouse Gas Offset Credit System. The system enables project proponents to generate federal offset credits through projects that reduce GHG emissions under a published federal GHG offset protocol. Offset credits can then be sold to those seeking to meet limits imposed under the OBPS or those seeking to meet voluntary targets.

On June 20, 2022, the Clean Fuel Regulations came into force, establishing Canada's Clean Fuel Standard. The Clean Fuel Standard will replace the former Renewable Fuels Regulation, and aims to discourage the use of fossil fuels by increasing the price of those fuels when compared to lower-carbon alternatives. Coming into force in 2023, the Clean Fuel Standard will impose obligations on primary suppliers of transportation fuels in Canada and require fuels to contain a minimum percentage of renewable fuel content and meet emissions caps calculated over the life cycle of the fuel. The Clean Fuel Regulations also establish a market for compliance credits. Compliance credits can be generated by primary suppliers, among others, through carbon capture and storage, producing or importing low-emission fuel, or through end-use fuel switching (for example, operating an electric vehicle charging network).

The Government of Canada is also in the midst of developing a carbon capture utilization and storage ("CCUS") strategy. CCUS is a technology that captures carbon dioxide from facilities, including industrial or power applications, or directly from the atmosphere. The captured carbon dioxide is then compressed and transported for permanent storage in underground geological formations or used to make new products such as concrete. Beginning in 2022, the federal government plans to spend \$319 million over seven years to ramp up CCUS in Canada, as this is expected to be a critical element of the plan to reach net-zero by 2050.

Saskatchewan

In May 2009, the Government of Saskatchewan announced the *Management and Reduction of Greenhouse Gases Act* (the "MRGGA") to regulate GHG emissions in the province. The government subsequently released *Prairie Resilience: A Made-in-Saskatchewan Climate Change Strategy* ("**Prairie Resilience**"), outlining its strategy to reduce GHG emissions by 12 million tonnes by 2030.

Under the MRGGA, facilities that have annual GHG emissions in excess of 10,000 tonnes are regulated to meet the province's reduction targets. The following regulations were enacted throughout 2018: *The Management and Reduction of Greenhouse Gases (General and Electricity Producer) Regulations*, the *Management and Reduction of Greenhouse Gases (Reporting and General) Regulations*, and *The Management and Reduction of Greenhouse Gases (Standards and Compliance) Regulations*. These Regulations establish reporting requirements and impose various emissions limits for those emitters that fall within the program.

On January 1, 2019, *The Oil and Gas Emissions Management Regulations* (the "**Saskatchewan O&G Emissions Regulations**") came into effect. The Saskatchewan O&G Emissions Regulations apply to licensees of oil facilities that may generate more than 50,000 tonnes of CO₂e per year, obliging each licensee to propose an emissions reduction plan in accordance with an annual emissions limit with the goal of achieving annual emissions reductions of 40 to 45% by 2025. The Saskatchewan O&G Emissions Regulations aim to reduce 4.5 million tonnes of CO₂e emissions by 2025, with a total reduction of 38.2 million tonnes of CO₂e by 2030.

The MRGGA and the Saskatchewan O&G Emissions Regulations meet the federal benchmark stringency requirements for certain industrial sectors, but the federal backstop continues to apply to emissions sources not covered in Saskatchewan's emissions legislation. The federal fuel charge continues to apply in Saskatchewan.

In April 2019, Saskatchewan produced its first annual report on climate resilience. The report measures the Province's progress on goals set out under Prairie Resilience. Among these goals is the aim of increasing the role of renewable energy in the provincial energy mix to 50% by 2030. According to its 2020 and 2021 reports, the province generates nearly 26% of its electricity from renewable energy sources, an increase of 1.6% since 2019.

To facilitate its emissions reduction efforts, the Government of Saskatchewan has implemented *Directive PNG017: Measurement Requirements for Oil and Gas Operations*, which came into force in December 2019 and was revised in August 2020, and *Directive PNG036: Venting and Flaring Requirements*, which came into force in April 2020 and was last revised in June 2022. Together with the Saskatchewan O&G Emissions Regulations, these directives enable the Government of Saskatchewan to regulate emissions reductions within the province. In November 2020, the Government of Canada and the Government of Saskatchewan announced that they had finalized an equivalency agreement regarding the reduction of methane emissions such that the Federal Methane Regulations will not apply in Saskatchewan. In furtherance of these goals and agreements, in March 2021, the Government of Saskatchewan announced it would provide \$500,000 to support innovative research and technology for measuring and monitoring gas volumes and emissions, which will be overseen by the Saskatchewan Research Council.

In January 2021, the Government of Saskatchewan announced support for three projects expected to reduce methane emissions, including a new flare-gas-to-power project, an expansion of gas processing facilities and a

new gas fractionation plant. The Saskatchewan Petroleum Innovation Incentive ("**SPII**") and Oil and Gas Processing Investment Incentive ("**OGPII**") give this support. The SPII and OGPII provide a percentage of transferable royalty credits after private funding has been obtained and the facilities have been built.

In September 2021, Saskatchewan's Energy and Resource Minister announced that one of the government's key priorities would be increasing investment in Carbon Capture, Utilization and Storage ("**CCUS**") through enhanced oil recovery projects. In November 2021, Saskatchewan announced that pipelines transporting CO₂ for CCUS are eligible for the provincial Oil Infrastructure Investment Program ("**OIIP**"). The Government of Saskatchewan expects that CCUS projects will attract provincial investment of more than \$2 billion and sequester over two million tonnes of CO₂ annually. OIIP will assist in generating a total investment impact of at least \$500 million in new and expanded pipeline capacity in Saskatchewan, while encouraging industry adoption of CCUS and further reductions in GHG emissions.

Liability Management Rating Programs

Saskatchewan

The Saskatchewan Ministry of Energy and Resources administers the Licensee Liability Rating Program (the "**SK LLR Program**"), which was updated in January 2023. The SK LLR Program is designed to assess and manage the financial risk that a licensee's well and facility abandonment and reclamation liabilities pose to the orphan fund (the "**Oil and Gas Orphan Fund**") established under the SKOGCA. The Oil and Gas Orphan Fund takes on the obligation of carrying out the abandonment and reclamation of wells and facilities contained within the SK LLR Program when the Saskatchewan Ministry of Energy and Resources confirms there is no legally responsible or financially able party to deal with the abandonment and/or reclamation responsibilities. The SK LLR Program also outlines requirements for security deposits and licence transfers. If a licence holder wishes to transfer a licence, a licence transfer application must be completed through the Integrated Resource Information System ("**IRIS**"). An assessment is conducted on both the transferee and the transferor listed in the IRIS application. To complete the assessment, both a licensee liability rating ("**LLR**") assessment and a proportional risk transfer is conducted. If a licence transfer will result in either the transferor or transferee having an LLR of less than 1.0, the transferor or transferee, as applicable, must submit the amount of security deposit required by the minister.

In February 2021, the Energy Regulation Division of the Ministry of Energy and Resources announced that it was consulting with stakeholders on proposed regulatory enhancements intended to strengthen Saskatchewan's oil and gas liability management framework and reduce the prospect of new orphan oil and gas wells and facilities in Saskatchewan. This process led to the development of the new *Financial Security and Site Closure Regulations* (the "**Closure Regulations**"), which came into force on January 1, 2023.

The Closure Regulations include: (i) changes to the formula for determining if a licensee poses a risk; (ii) annual spend targets for closure activities by licensees; and (iii) new guidance on when a security deposit may be required by a licensee or in connection with a transfer. *The Oil and Gas Conservation Regulations, 2012* (the "**Conservation Regulations**") remain in effect. Among other things, the Conservation Regulations provide a formula for determining a licensee's LLR, outline eligibility requirements for holding licences, and provide guidance on when a security deposit may be required by a licensee or in connection with a transfer.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no legal proceedings that the Corporation is or was a party to, or that any of its property is or was a subject of, during the most recently completed financial year that were or are material to the Corporation, nor are

any such legal proceedings known to the Corporation to be contemplated which could be deemed material to the Corporation.

In the normal conduct of operations, there may be actual and/or pending claims by and against the Corporation. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance.

Regulatory Actions

To the knowledge of management of the Corporation, no penalties or sanctions have been imposed by a court relating to securities legislation or by a securities regulatory body or by any other court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision, nor have any settlement agreements been entered into by the Corporation with a court relating to securities legislation or with a securities regulatory authority during the most recently completed financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors, executive officers of the Corporation, any person or Corporation that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of outstanding voting securities of the Corporation, nor any associate or affiliate of the foregoing persons had any material interest, direct or indirect, in any transaction during the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares, and the warrant agent for the 2021 Warrants, March 2022 Warrants and July 2022 Warrants, respectively, is Computershare Trust Company of Canada at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

Other than as set forth below, the Corporation did not enter into any material contracts outside the ordinary course of business within the most recently completed financial year or prior thereto that are still in effect:

1. Senior Secured Loan Agreement;
2. March 2022 Warrant Indenture;
3. Viking Purchase and Sale Agreement;
4. July 2022 Warrant Indenture;
5. Ridgeback Arrangement Agreement;
6. January 2023 Underwriting Agreement;
7. Third A&R Term Loan Agreement; and
8. Registration Rights Agreement.

The Corporation's material contracts described above are filed under Saturn's profile on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

Reserves estimates contained in this Annual Information Form were derived from the 2022 Reserves Report prepared by Ryder Scott, an independent reserves evaluator. As of December 31, 2022, to the knowledge of the

Corporation, the directors, officers, employees and consultants of Ryder Scott who participated in the preparation of the 2022 Reserves Report who were in a position to directly influence the preparation or outcome of the preparation of the 2022 Reserves Report as a group, do not hold any of the securities of the Corporation. In addition, none of the officers, directors, employees or consultants of Ryder Scott are currently expected to be elected, appointed or employed as a director, officer or employee of the Corporation or any of the Corporation's associates or affiliates.

KPMG LLP is the auditor of the Corporation as at the year ended December 31, 2022. KPMG LLP has confirmed that it is independent of the Corporation in accordance with the relevant rules and related interpretation prescribed by the Institute of Chartered Accountants of Alberta.

Other than as set out above, no other experts (whose profession or business gives authority to a report, valuation, statement or opinion made by them) were named in any securities disclosure document filed by the Corporation pursuant to NI 51-102 in the most recently completed financial year.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Corporation's information circular dated, 2022. Additional financial information is also provided in the Corporation's consolidated financial statements and MD&A for the year ended December 31, 2022.

SCHEDULE "A"
REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES
EVALUATOR

To the Board of Directors of Saturn Oil + Gas Inc. (the "**Corporation**"):

1. We have evaluated the Corporation's reserves data as at December 31, 2022. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2022, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "**COGE Handbook**") maintained by the Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table sets forth the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Corporation evaluated by us for the year ended December 31, 2022, and identifies the respective portions thereof that we have evaluated and reported on to the Corporation's management:

Independent Qualified Reserves Evaluator or Auditor	Saturn Oil & Gas Inc. Reserve Estimation and Economic Evaluation	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (\$M, before income taxes, 10% discount rate)			
			Audited	Evaluated	Reviewed	Total
Ryder Scott Company	December 31, 2022	Canada	\$0	\$1,401,792	\$0	\$1,401,792

6. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our reports.
8. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Ryder Scott Company-Canada, Calgary, Alberta, Canada

Dated as of the 31st day of March, 2023

Signed by: (signed) "Andy Thompson"
 Andy Thompson, P. Eng.
 Senior Vice President

SCHEDULE "B"
REPORT OF MANAGEMENT AND DIRECTORS
ON OIL AND GAS DISCLOSURE

Management of Saturn Oil & Gas Inc. (the "**Corporation**") are responsible for the preparation and disclosure of information with respect to the Corporation's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2022, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Corporation's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Corporation has:

- (a) *reviewed the Corporation's procedures for providing information to the independent qualified reserves evaluator;*
- (b) *met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and*
- (c) *reviewed the reserves data with management and the independent qualified reserves evaluator.*

The Reserves Committee of the board of directors has reviewed the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

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

DATE: March 31, 2023

(signed) "John Jeffrey"
John Jeffrey
Chief Executive Officer

(signed) "Justin Kaufmann"
Justin Kaufmann
Chief Development Officer

(signed) "Christopher Ryan"
Christopher Ryan
Director

(signed) "Grant MacKenzie"
Grant MacKenzie
Director

SCHEDULE "C"

AUDIT COMMITTEE CHARTER

Audit Committee Charter

1. Purpose of the Committee

- 1.1 The purpose of the Audit Committee is to assist the Board in its oversight of the integrity of the Corporation's financial statements and other relevant public disclosures, the Corporation's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Audit Committee for the ensuing year.

2. Members of the Audit Committee

- 2.1 All members of the Committee shall be financially literate, and if not so when appointed, will endeavour to obtain a working familiarity with basic finance and accounting practices within a reasonable time. An individual will be deemed financially literate when he or she has the ability to read and understand a set of financial statements that present a breadth 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 Corporation's financial statements.
- 2.2 The Committee shall consist of at least (3) directors. Ideally, all members of the Committee should be independent directors (pursuant to Multi-Lateral Instrument 52-110) but can be comprised of a majority of members who are not officers or employees of the Corporation or a member of an affiliate of the Corporation (pursuant to BCBCA).
- 2.3 At least one member of the Committee shall have accounting or related financial management expertise.
- 2.4 At least one member of the Audit Committee must be "independent" as defined under NI 52-110, while the Corporation is in the developmental stage of its business.

3. Relationship with External Auditors

- 3.1 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.
- 3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.
- 3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.
- 3.4 The Audit Committee will have direct communications access at all times with the external auditors.

4. Non-Audit Services

- 4.1 The external auditors are prohibited from providing any non-audit services to the Corporation, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Corporation, the Audit Committee must consider that the benefits to the Corporation from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.
- 4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Corporation:
- (i) acting as an agent of the Corporation for the sale of all or substantially all of the undertaking of the Corporation; and
 - (ii) performing any non-audit consulting work for any director or senior officer of the Corporation in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Corporation.

5. **Appointment of Auditors**

- 5.1 The external auditors will be appointed each year by the Shareholders of the Corporation at the annual general meeting of the Shareholders.
- 5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

6. **Evaluation of Auditors**

- 6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

7. **Remuneration of the Auditors**

- 7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the Shareholders at each general meeting of the Shareholders.
- 7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

8. **Termination of the Auditors**

- 8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

9. **Funding of Auditing and Consulting Services**

- 9.1 Auditing expenses will be funded by the Corporation. The auditors must not perform any other consulting services for the Corporation, which could impair or interfere with their role as the independent auditors of the Corporation.

10. **Role and Responsibilities of the Internal Auditor**

- 10.1 At this time, due to the Corporation's size and limited financial resources, the Corporation's Chief Executive Officer and Chief Financial Officer are responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

11. **Oversight of Internal Controls**

- 11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

12. **Continuous Disclosure Requirements**

- 12.1 At this time, due to the Corporation's size and limited financial resources, the Corporation's Chief Executive Officer and Chief Financial Officer are responsible for ensuring that the Corporation's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

13. **Other Auditing Matters**

- 13.1 The Audit Committee may meet with the Auditors independently of the management of the Corporation at any time, acting reasonably.
- 13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors of the management of the Corporation.

14. **Annual Review**

- 14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

15. **Independent Advisers**

- 15.1 The Audit Committee shall have the power to retain legal, accounting or other advisors to assist the Committee.

16. **Audit Committee Oversight**

- 16.1 At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

17. **Reliance on Certain Exemptions**

- 17.1 At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-Audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

18. **Pre-Approval Policies and Procedures**

- 18.1 The Audit Committee is authorized by the Board to review the performance of the Corporation's external auditors and approve, in advance, provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve any non-audit services or additional work that the Chairman of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.
- 18.2 The purposes and provisions specified in this Charter are meant to serve as guidelines, and the Committee is delegated the authority to adopt such additional procedures and standards as it deems may be appropriate in light of changing business, legislative, regulatory or other conditions to fulfill its responsibilities. Nothing herein is intended to expand applicable standards of liability under applicable law for directors of a corporation.