Annual Information Form

Year Ended December 31, 2021

March 23, 2022

TABLE OF CONTENTS

TABLE OF CONTENTS (CONTINUED)

GENERAL MATTERS

Forza Petroleum prepares its financial statements in United States dollars and in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

References in this Annual Information Form to research reports or to articles in publications should not be construed as depicting the complete findings of the entire referenced report or article.

Unless otherwise indicated, all maps and images contained in this Annual Information Form have been prepared by Forza Petroleum.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this Annual Information Form constitute "**forward-looking information**", including statements related to the nature, timing and effect of Forza Petroleum's future capital expenditures, financing and capital activities, business and acquisition strategy and goals, opportunities, reserves and resources estimates and potential, drilling plans, development plans and schedules and chance of success, future seismic data activity, results of exploration activities, declarations of commercial discovery, contingent liabilities and government approvals, the ability to gain access to third party facilities or build necessary facilities to sell oil production, future drilling of new wells, ultimate recoverability of current and long-term assets, future royalties and tax levels, access to future financing and liquidity, future debt levels, availability of committed credit facilities, possible commerciality of its projects, expected operating capacity, expected operating costs, estimates on a per share or per barrel basis, future foreign currency exchange rates, future expenditures, and changes in any of the foregoing. Statements that contain words such as "may", "will", "would", "could", "should", "anticipate", "believe", "intend", "expect", "plan", "estimate", "budget", "outlook", "propose", "potentially", "project", "forecast" or the negative of such expressions, and statements relating to matters that are not historical fact, also constitute forward-looking information within the meaning of applicable Canadian securities legislation.

In addition, information and statements in this Annual Information Form relating to reserves and resources are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated, and that the reserves and resources described can be profitably produced in the future. See "Reserves and Resources Advisory" below.

Although Forza Petroleum believes these statements to be reasonable, the assumptions upon which they are based may prove to be incorrect. In making certain statements in this Annual Information Form, Forza Petroleum has made assumptions with respect to the following: the general continuance of the current or, where applicable, assumed industry conditions, the continuation of assumed tax, royalties and regulatory regimes, forecasts of capital expenditures and the sources of financing thereof, timing and results of exploration activities, access to local and international markets for the sale of crude oil production and future crude oil prices, Forza Petroleum's ability to obtain and retain qualified staff, contractors and personnel and equipment in a timely and cost-efficient manner, the political situation and stability in the jurisdiction in which Forza Petroleum has its license, the ability to renew its license on satisfactory terms, the ability to obtain extensions to deadlines for the completion of work commitments, Forza Petroleum's future production levels, the applicability of technologies for the recovery and production of Forza Petroleum's oil reserves and resources, the amount, nature, timing and effects of capital expenditures, geological and engineering estimates in respect of Forza Petroleum's reserves and resources, the geography of the area in which Forza Petroleum is conducting exploration and development activities, operating and other costs, the extent of Forza Petroleum's liabilities, and business strategies and plans of management.

Forward-looking information is subject to known and unknown risks and uncertainties which may cause actual results or events to differ materially from those anticipated in the forward-looking information and statements if the assumptions underlying them prove incorrect, or if one or more of the uncertainties or risks described below materializes. The risks and uncertainties affecting Forza Petroleum include, but are not limited to, imprecision of reserves and resources estimates; ultimate recovery of reserves, ability to commercially develop its oil reserves and/or its contingent and prospective oil resources; commodity prices; general economic, market and business conditions; industry capacity; competitive action by other companies; the ability to produce and transport crude oil to markets; weather conditions; results of exploration and development drilling and other related activities; fluctuation in interest rates and foreign currency exchange rates; ability of suppliers to meet commitments; actions by governmental authorities, including increases in taxes; decisions or approvals of administrative tribunals, renewal or granting of licenses; changes in environmental and other regulations, including those intended to address climate change; international political events; renegotiations of contracts; reliance on key managers and personnel; future foreign currency exchange rates; risks related to the actions and financial circumstances of its agents and contractors, counterparties and joint venture partners; political uncertainty, including actions by terrorists, insurgent or other groups, or other armed conflict, including conflict between states; and expected rates of return. More specifically, future production may be affected by exploration success, start-up timing and success, facility reliability, reservoir performance and natural decline rates, water handling and drilling progress, and restrictions on the ability to access necessary infrastructure, equipment and services including, but not limited to, export pipelines and other infrastructure, equipment and services sourced from third party providers. Capital expenditures may be affected by limited availability of capital and cost pressures associated with new capital projects, including labour and material supply, project management, drilling rig rates and availability, and seismic data costs. See “Risk Factors” for additional detail.

Any forward-looking information concerning prospective exploration, results of operations, financial position, production, expectations of capital expenditures, cash flows and future cash flows or other information described above that is based upon assumptions about future results, economic conditions and courses of action are presented for the purpose of providing readers with a more complete perspective on Forza Petroleum’s present and planned future operations and such information may not be appropriate for other purposes and actual results may differ materially from those anticipated in such forward-looking information. In addition, included herein is information that may be considered financial outlook and/or future-oriented financial information. Its purpose is to indicate the potential results of Forza Petroleum’s intentions and may not be appropriate for other purposes.

Readers are strongly cautioned that the above list of factors affecting forward-looking information is not exhaustive. Although Forza Petroleum believes that the expectations conveyed by the forward-looking information are reasonable based on information available to it on the date such forward-looking information was made, no assurances can be given as to future results, levels of activity and achievements. Readers should not place undue importance or reliance on the forward-looking information and should not rely on the forward-looking information as of any date other than the date hereof. Further, statements including forward-looking information are made as at the date they are given and, except as required by applicable law, Forza Petroleum does not intend, and does not assume any obligation, to update any forward-looking information, whether as a result of new information or otherwise. If Forza Petroleum does update one or more statements containing forward-looking information, it is not obligated to, and no inference should be drawn that it will, make additional updates with respect thereto or with respect to other forward-looking information, except in each case as required by applicable law. The forward-looking information contained in this Annual Information Form is expressly qualified by this cautionary statement.

Reserves and Resources Advisory

The reserves and resources and related future net revenue information set forth in this Annual Information Form are estimates only. In general, estimates of oil reserves and resources and the future net revenue estimates derived therefrom are based upon forward-looking information and a number of variable factors and assumptions, such as production rates, ultimate reserve recovery, timing and amount of capital expenditures, ability to transport production, marketability of oil, royalty rates, the assumed effects of regulation by governmental and other regulatory agencies and future operating costs, all of which may vary materially from actual results, and for resources and related future net revenue, additional variable factors and assumptions such as discovery and commerciality. For those reasons, estimates of the oil reserves and resources attributable to any particular group of properties, as well as the classification of such reserves and resources (based on risk of recovery) and estimates of future net revenue associated with such reserves and resources prepared by different engineers (or by the same engineers at different times) may vary. The actual reserves and resources of Forza Petroleum may be greater or less than those estimated, and such variation may be material.

In addition, Forza Petroleum's actual production, revenues, development, capital and operating expenditures, as applicable, with respect to its reserves and resources will vary from estimates thereof and such variations could be material. Any activities undertaken by Forza Petroleum to develop or permit the reclassification of its reserves and resources will be subject to the terms of the applicable contractual arrangement. See "Risk Factors".

Statements relating to "net present value", "future net revenue", "reserves" and "resources" are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions (including, without limitation, pricing assumptions), that the reserves and resources described exist in the quantities predicted or estimated, and can be profitably produced in the future. There is no assurance that forecast price and cost assumptions will be attained and variances could be material. See "Cautionary Note Regarding Forward-Looking Statements" above.

Proved oil reserves are those reserves which are most certain to be recovered. There is at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved oil reserves. Probable oil reserves are those additional reserves that are less certain to be recovered than proved oil reserves. There is at least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable oil reserves. Possible oil reserves are those additional reserves that are less certain to be recovered than probable oil reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable plus possible oil reserves.

Each of the reserve categories may be divided into developed and undeveloped. 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 (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be sub-divided into producing and non-producing. Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. All reserves must fully meet the requirements of the reserves category (i.e., proved, probable or possible) to which they are assigned.

Contingent oil resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. Contingent oil resources are further sub-divided in accordance with the level of certainty associated with recoverable estimates assuming their development and may be sub-classified based on project maturity (e.g., development pending, development on hold, development unclarified or development non-viable). Contingent oil resources entail additional commercial risk than reserves. There is no certainty that it will be commercially viable to produce any portion of the contingent oil resources. Moreover, the volumes of contingent oil resources reported herein are sensitive to economic assumptions, including capital and operating costs and commodity pricing.

Prospective oil resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective oil resources have both an associated chance of discovery and a chance of development. Prospective oil resources are further sub-divided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity. Prospective oil resources entail more commercial and exploration risks than those relating to oil reserves and contingent oil resources. There is no certainty that any portion of the prospective oil resources will be discovered. If a discovery is made, there is no certainty that it will be developed and, if it is developed, there is no certainty as to the timing or cost of such development.

The reserves and resources estimates and evaluation contained in this Annual Information Form are derived from the NSAI Report which was prepared with reference to NI 51-101 relying on the COGE Handbook definitions. **Reserves provided in this Annual Information Form are, unless otherwise noted, proved and probable oil reserves as at December 31, 2021 and are only valid as of such date.**

Resources provided in this Annual Information Form are, unless otherwise noted, best estimates as at December 31, 2021. Frequently, a resource estimate is derived from three values that reflect a range of reasonable likelihoods (the low value reflecting a conservative estimate, the middle value being the best estimate, and the high value being an optimistic estimate). NSAI has calculated its best estimate of Forza Petroleum's contingent oil resources using deterministic methods and has determined Forza Petroleum's prospective oil resources using a combination of probabilistic and deterministic methods and are dependent on a petroleum discovery being made. Once all contingencies associated with contingent oil resources have been successfully addressed, the probability that the quantities of contingent oil resources actually recovered will equal or exceed the unrisked estimated amounts is 50% for the best estimate. With respect to prospective oil resources, if a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisked estimated amounts is 50% for the best estimate.

The risked prospective oil resources have been risked by NSAI for the chance of discovery by employing a geological risk assessment for each prospect and lead. The principal geological risk elements considered by NSAI include: (i) trap and seal characteristics; (ii) reservoir presence and quality; (iii) source rock capacity, quality and maturity; and (iv) timing, migration and preservation of petroleum in relation to trap and seal formation. The risked contingent and prospective oil resources have been risked by NSAI for the chance of development. Development risk is based upon the collection and interpretation of additional data to establish the commercial viability of project development and, subjectively, the Corporation's commitment to develop the resources. Risk assessment is a highly subjective process dependent upon the experience and judgment of the evaluators and is subject to revision with further data acquisition or interpretation resulting from, among other events and activity, further exploration.

The estimates of reserves and resources and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and resources and future net revenue for multiple properties, due to the effects of aggregation. The estimates for future net revenue contained in this Annual Information Form are valid only as at December 31, 2021 and do not necessarily represent the fair market value of Forza Petroleum's reserves and resources.

The estimates of reserves in this Annual Information Form may differ from reserves estimates using definitions used by the U.S. Securities and Exchange Commission ("**SEC**"). This document discloses resources that the commission's guidelines would prohibit being included in registration statements filed with the commission. The estimates of future net revenue disclosed herein may differ from the amounts that would be determined under the standardized measure of future cash flow prescribed by the United States Federal Accounting Standards Board Accounting Standards Codification Section 932 Extractive Industries.

As used in this Annual Information Form, unless otherwise indicated, "**gross**" means, in respect of original oil-in-place, reserves, resources, production, area, capital expenditures or operating expenses, the total original oil-in-place, reserves, resources, production, area, capital expenditures or operating expenses, as applicable, attributable to either (i) 100% of the license area, field, prospect or lead; or (ii) the Corporation's working interest in the license area, field, prospect or lead, as indicated, prior to the deductions specified in the applicable PSC or fiscal regime for each license area. See "Key Contractual Terms".

For further information regarding the Corporation's reserves and resources estimates, including the assumptions related to the reserves and resources estimates reported herein, please see (i) Form 51-101F1 – *Statement of Reserves Data and Other Oil and Gas Information* effective as at December 31, 2021; (ii) Form 51-101F2 – *Report on Reserves Data, Contingent Resources Data and Prospective Resources Data by Independent Qualified Reserves Evaluator or Auditor* dated February 15, 2022 and effective December 31, 2021; and (iii) Form 51-101F3 – *Report of Management and Directors on Reserves Data and Other Information* dated March 1, 2022 (collectively, the "**51-101 Report**"). The 51-101 Report was filed by the Corporation on SEDAR on March 3, 2022 and is incorporated by reference into this Annual Information Form.

Currency

All dollar amounts set forth in this Annual Information Form are in United States dollars, except where otherwise indicated. Unless otherwise indicated, in this Annual Information Form, all references to: (i) "C$" are to Canadian dollars; (ii) "$" are to United States dollars; and (iii) "CHF" are to Swiss francs.

Abbreviations

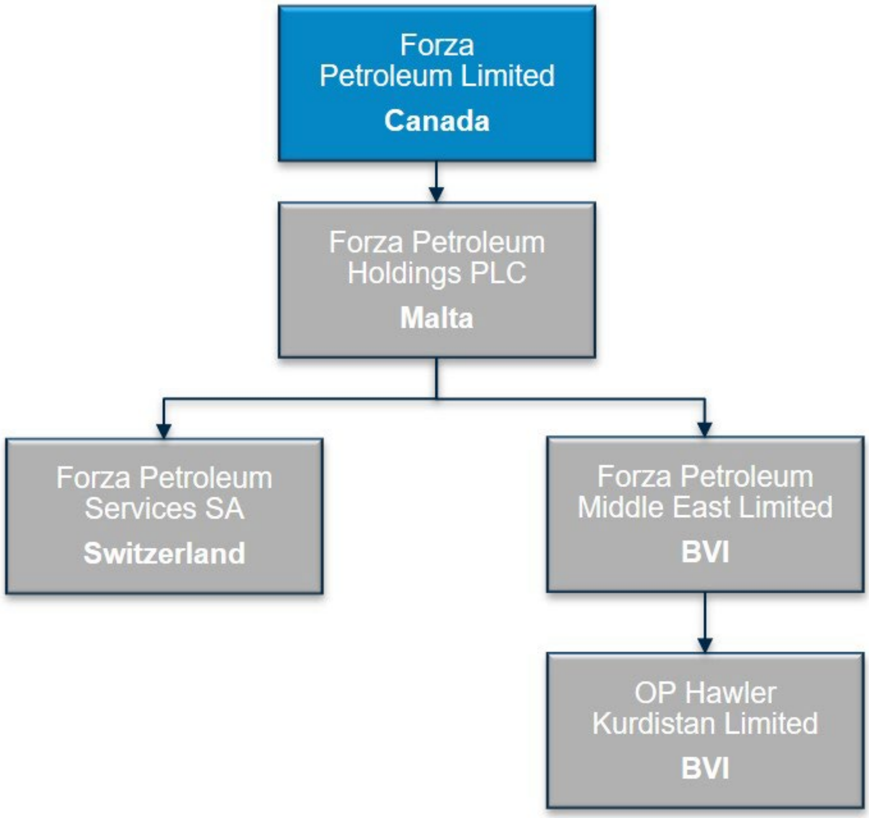
Crude Oil and Natural Gas Liquids		**Other**	
bbl	barrels	API	American Petroleum Institute gravity
bbl/d	barrels per day	km	kilometres
Mbbl	thousands of barrels		
Mbbl/d	thousands of barrels per day		
MMbbl	millions of barrels		
scf/bbl	standard cubic foot per barrel		
scf/d	standard cubic foot per day		

CORPORATE STRUCTURE

Forza Petroleum Limited was incorporated on December 31, 2012 as a Canadian corporation pursuant to the CBCA. The Corporation's head and registered office is at 3400 First Canadian Centre, 350 - 7th Avenue SW, Calgary, Alberta, Canada, T2P 3N9, and its service office is at Route de Pré-Bois 14, 1216 Cointrin, Switzerland.

The following organizational chart illustrates the relationships among Forza Petroleum Limited and its material subsidiaries as of December 31, 2021. The jurisdiction of incorporation or organization (in the case of a re-domiciliation of a company) is shown for each entity. All subsidiaries shown below are 100% owned by Forza Petroleum Limited.

For ease of reference, unless otherwise indicated in this Annual Information Form, references to "**Forza Petroleum**" or the "**Corporation**" mean Forza Petroleum Limited and/or its subsidiary entities, as the context permits or requires.



GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Forza Petroleum is an international oil exploration and production company founded in 2010. The Corporation's focus is appraisal, development and production in the Kurdistan Region of Iraq. With a small team and low-cost structure, its business has weathered a period of depressed oil prices. Efficient execution has allowed the Corporation to maximize value from its capital investments. As at December 31, 2021, Forza Petroleum had an interest in, and is the operator of, the Hawler license area located in the Kurdistan Region.

Oil production from the Hawler license area commenced in June 2014 and, in 2021, amounted to gross (100%) 4,447,000 barrels. The Corporation is currently producing oil from 16 wells.

As at December 31, 2021, Forza Petroleum had 144 employees and exclusively-engaged consultants. Of these, 11 were located in Geneva, Switzerland and 133 were located in Erbil, Kurdistan Region.

Summary of Oil Reserves and Resources

The following table summarizes the oil reserves and resources of Forza Petroleum at December 31, 2021. All reserves and resources are attributable to the Hawler license area, operated by Forza Petroleum.

License Area, Oil Reserves and Resources Summary Table

Location	License	Gross (100%) Area	Water Depth	Working Interest		Proved plus Probable (Working Interest)	
		(km^2)	(m)	(%)		(MMbbl)	($ million)[4]
Oil Reserves[1]							
Iraq							
Kurdistan Region	Hawler	788	Onshore	65.00		43	621
					Gross Oil (Working Interest)		
					Unrisked	Risked	Risked
					(MMbbl)		($ million)[4]
Contingent Oil Resources[2]							
Development Pending[5]							
Iraq							
Kurdistan Region	Hawler	788	Onshore	65.00	45	34	159
Total Development Pending Contingent Oil Resources					45	34	159
Development Unclarified[6]							
Iraq							
Kurdistan Region	Hawler	788	Onshore	65.00	109	37	-
Total Development Unclarified Contingent Oil Resources					109	37	-
						Gross Oil (Working Interest)	
						Unrisked	Risked
						(MMbbl)	
Prospective Oil Resources[3]							
Iraq							
Kurdistan Region	Hawler	788	Onshore	65.00		94	3
Total Prospective Oil Resources						94	3

Notes:

(1) The oil reserves data is based upon evaluations by NSAI with an effective date at December 31, 2021.

(2) The contingent oil resources data and the classification of such resources as "contingent oil resources" is based upon evaluations by NSAI, with an effective date at December 31, 2021. The figures shown are NSAI's "best estimate" using deterministic methods. Once all contingencies have been successfully addressed, the probability that the quantities of contingent oil resources actually recovered will equal or exceed the unrisked estimated amounts is 50% for the best estimate. Contingent oil resources estimates are volumetric estimates prior to economic calculations.

(3) The prospective oil resources data and the classification of such resources as "prospective oil resources" is based upon evaluations by NSAI, with an effective date at December 31, 2021. The figures shown are NSAI's "best estimate", using a combination of deterministic and probabilistic methods and are dependent on a petroleum discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisked estimated amounts is 50% for the best estimate. Prospective oil resources estimates are volumetric estimates prior to economic calculations.

(4) After tax net present value of future net revenue associated therewith using forecast prices and costs and a 10% discount rate. Gross estimates of contingent oil resources sub-classified as development pending used to calculate risked net present value of future net revenue are estimated based on economically recoverable volumes within the development period specified in the PSC applicable to the license area.

(5) Classification of a project's maturity as development pending indicates that there is a high chance of development (i.e., probability that a known accumulation will be commercially developed), where resolution of the final conditions for development is being actively pursued. A limited economic evaluation has been performed by NSAI on the contingent oil resources sub-classified as development pending.

(6) Classification of a project's maturity as development unclarified indicates that evaluation of the project is incomplete and there is activity required to resolve any risks or uncertainties regarding commercial development of the project. An economic evaluation has not been performed by NSAI on the contingent oil resources sub-classified as development unclarified.

The Corporation's oil reserves and resources and associated future net revenue values as at December 31, 2021 reflect evaluations made by NSAI, an independent oil and gas consulting firm providing reserve and resource reports to the worldwide petroleum industry, as contained in the NSAI Report. The NSAI Report evaluated the reserves and resources associated with the Corporation's Hawler license area and the net present value of future net revenue associated with the oil reserves and contingent oil resources sub-classified as development pending using, in each case, forecast prices and costs as at December 31, 2021. NSAI has employed a limited economic analysis for the contingent oil resources sub-classified as development pending which considered conceptual development plans, estimated associated costs, oil production rates, sales rates and price forecasts, and included the effect of existing contracts and the PSC applicable to the Hawler license area. The NSAI Report has been prepared in accordance with the standards contained in the COGE Handbook and the reserve and resource definitions contained in NI 51-101 and the COGE Handbook. See "General Matters – Reserves and Resources Advisory".

Recent Developments

Four producing wells were successfully completed by the Corporation during 2019, consisting of the Banan-5, Banan-6 and Banan-7 wells targeting the Cretaceous reservoir of the Banan West fault block and a horizontal sidetrack of the previously drilled Demir Dagh-3 well targeting the Cretaceous reservoir. The successful work program allowed the Corporation to increase gross (100%) oil production rates by 80% to an average rate of 11,700 bbl/d in 2019 versus 6,500 bbl/d in 2018.

Early in 2020, the Corporation was successful in negotiating an extension to its $100 million non-revolving term credit facility with an affiliate of The Addax and Oryx Group P.L.C. ("**AOG**" and the "**AOG Loan Facility**"), extending the maturity date to July 1, 2021.

The very significant fall in the price of oil in March 2020 led the Corporation to take immediate steps to reduce costs and to preserve capital by suspending capital expenditure, reducing headcount at its service office in Geneva, Switzerland and temporarily shutting in production from wells in the Banan field to optimize economics. Production from the Banan field is subject to higher oil quality discounts and involves higher per barrel facilities operating costs than Forza Petroleum's other fields.

In June 2020, a change of control transaction was negotiated between the Corporation's two largest shareholders, closing being conditional upon the full settlement of the AOG Loan Facility. The transaction closed on July 23, 2020, resulting in Zeg Oil holding 500,152,674 Common Shares, representing approximately 89% of the then issued and outstanding Common Shares. The AOG Loan Facility was settled by transferring to an affiliate of AOG the Corporation's shares of OP AGC Central Limited, the former wholly-owned subsidiary of the Corporation that holds interests in the AGC Central exploration license area located in the AGC administrative area offshore Senegal and Guinea Bissau. The loan balance (including accrued and unpaid interest) at the time of settlement amounted to $80.5 million. A $26.9 million gain was recognized on settlement of the loan. The transfer of OP AGC Central Limited also eliminated $30 million of minimum exploration drilling obligations.

In connection with the change of control transaction, the Management Services Agreement and Parent Company Guarantee Services Agreement between the Corporation and AOG were terminated effective July 23, 2020. The Trademark License Agreement between the Corporation and AOG was terminated effective December 17, 2020. Pursuant to a commercial lease dated October 19, 2016, Forza Petroleum Services S.A. leased office space from Addax Immobilier SA, an affiliate of AOG. The lease was terminated effective December 31, 2021.

In securing consent for the change of control of Forza Petroleum's interest in the Hawler license area from the Ministry of Natural Resources of the KRG, Forza Petroleum agreed to amend certain terms of the PSC governing the Hawler license area effective at July 1, 2020. Specifically, Forza Petroleum agreed to a 22% reduction in the cost pool related to its interest and to finance all costs attributed to the 35% interest it does not own for the duration of the development period, and without a cap on such financing facility. Previously, Forza Petroleum had been contracted to finance only the costs attributable to a 20% interest held by The Kurdistan Exploration and Production Company in the license, to a maximum of $300 million. The Ministry of Natural Resources agreed to waive any rights it has to perform an audit on costs incurred prior to January 1, 2021 and a parent company guarantee previously provided by AOG was released by the Ministry of Natural Resources, without replacement.

Towards the end of 2020, the Corporation adopted a new name, Forza Petroleum. The Common Shares commenced trading on the Toronto Stock Exchange under the stock symbol FORZ on December 10, 2020.

Notwithstanding a difficult year resulting from the worldwide outbreak of the COVID-19 virus, Forza Petroleum managed to maintain its operations while preserving the safety of its workforce in 2020. As oil prices began to recover, in July 2020 Forza Petroleum quickly resumed production from Banan field wells that had been temporarily shut-in earlier in the year. Given the suspension of the capital expenditure program from March through September 2020, and COVID-19 virus related restrictions, appraisal and development activity in the Hawler license area during 2020 was limited. Forza Petroleum did advance appraisal of the Banan East fault block with a sidetrack of the previously drilled Banan-1 well in early 2020. Data obtained during drilling indicate that the Tertiary reservoir in the Banan East fault block contains oil of similar density to oil produced from the Tertiary reservoir in the Banan West fault block. Attempts to complete the well as a producer in the Cretaceous reservoir were unsuccessful. Other operations in the first quarter of 2020 were successful in shutting off water production from the Banan-5 well which produces oil from the Cretaceous reservoir in the Banan West fault block. Efforts to reduce operating expense per barrel continued with a workover of the Banan-4 well to replace artificial lift equipment late in the year.

Primarily as a result of Banan field wells being shut-in for approximately three months from April 2020, average gross (100%) oil production dropped to 10,600 bbl/d for the year ended December 31, 2020.

With the necessary protocols in place to limit the impact of COVID-19 on the Corporation's workforce and operations, in 2021 Forza Petroleum executed one of its most active annual capital expenditure programs. With an investment of $46 million, the Corporation was able to drill eight wells and further develop facilities during the year. Wells targeted both the Cretaceous and Tertiary reservoirs and consisted of four wells in the Zey Gawra field, three in the Demir Dagh field and one in the east fault block of the Banan field. Construction of the river crossing for the gathering system to serve the western flank of the Hawler license area was completed. Additional facilities activity included preparing a new location for Banan field facilities and drilling pads and flowlines to support incremental drilling and production in 2022.

As a result of successful drilling, average gross (100%) oil production for the year ended December 31, 2020 increased from 10,600 bbl/d (working interest 6,900 bbl/d) to 12,200 bbl/d (working interest 7,900 bbl/d), rising further to 13,700 bbl/d (working interest 8,900 bbl/d) and 14,600 bbl/d (working interest 9,500 bbl/d) in January and February 2022, respectively. Data from the new wells also supported the year-end promotion of certain probable oil reserves to the proved oil reserves category, resulting in a proved reserves replacement ratio of 198%.

2021 Capital Expenditures

The following table sets forth the Corporation's capital expenditures for the financial year ended December 31, 2021.

Country/License Area	Development and Appraisal Drilling	Facilities	Seismic	Studies and Other	Total
	Historical Capital Expenditures Year Ended December 31, 2021				
			($ million)		
Iraq					
Hawler	26.3[(1)]	2.9	-	2.9	**32.1**
Total	**26.3**	**2.9**	**-**	**2.9**	**32.1**

Notes:

(1) Net of a non-cash credit of $13.6 million relating to revised cost estimates for decommissioning.

Production History

In the Hawler license area, production commenced on the Demir Dagh field in the second quarter of 2014, on the Zey Gawra field in the fourth quarter of 2016, and on the Banan field in the second quarter of 2018.

The Hawler license area represents the Corporation's sole oil asset in the financial year ending December 31, 2021. Gross (working interest) production from the Hawler license area totalled 2,890,400 bbl for the financial year ending December 31, 2021 and consisted entirely of light and medium crude oil. Such production was sourced as follows: (i) 1,699,200 bbl from the Banan field, (ii) 580,900 bbl from the Demir Dagh field, and (iii) 610,300 bbl from the Zey Gawra field.

The following table sets forth the Corporation's share of average gross (100%) daily production volumes and the prices received, royalties paid and production costs on an average per unit of volume ($/bbl) basis.

	2021 Q1	Q2	Q3	Q4
Average gross (working interest) production per day (bbl/d)	7,500	8,000	7,800	8,300
Average realized sales price ($/bbl)	44.44	52.32	56.81	63.37
Royalties ($/bbl)	(21.80)	(25.57)	(27.77)	(30.97)
Field operating costs[(1)] ($/bbl)	(5.89)	(6.56)	(6.57)	(7.96)

Notes:

(1) Field operating costs represent Forza Petroleum's working interest share of gross operating expenses and exclude partner share of operating expenses which are being carried by Forza Petroleum.

Corporate Social Responsibility

Forza Petroleum believes that host country populations should derive benefit from the development of their country's petroleum resources. Forza Petroleum's belief that it has a critical role in helping deliver this benefit to host country populations forms the basis of its philosophy regarding social responsibility. Following its social responsibility philosophy, Forza Petroleum seeks to directly provide benefits to the Kurdistan Region by employing local citizens and using local services while also promoting and funding local infrastructure projects, education programs, and disaster relief efforts in its areas of activity.

Historically, Forza Petroleum co-ordinated an outreach program, which started in 2013, involving a medical team consisting of a doctor, a dentist and a paramedic, who visit communities in and around the Hawler license area. To mitigate the disruption from COVID-19 restrictions, Forza Petroleum has been providing medicine to health centres throughout the Hawler license area. Forza Petroleum continues its scholarship program for five disadvantaged local children in Erbil and seven more children from the immediate communities in which the Corporation operates, allowing these children the chance to benefit from a higher level of education. The Corporation contributes to building village infrastructure, upgrading schools and community events in the Kurdistan Region, actively recruits local people for employment, and uses local service providers and suppliers, giving them an opportunity to build their capabilities and business in different specialties. In 2021, community infrastructure investments included the drilling or renovating of water wells, construction of new schools in each of the villages of Kawr, Tulaband and Zangal, and improvement of roadway between the villages of Nogharan and Chaluk.

Environmental and Safety Matters

Forza Petroleum has direct responsibility for HSE in its controlled activities and has implemented HSE policies in respect of its operations. These HSE policies are an important part of the responsibilities of Forza Petroleum's executive officers, employees and consultants and significantly influence the operations of Forza Petroleum.

Forza Petroleum requires all employees and consultants to comply with its HSE policies. The HSE policies are codified in Forza Petroleum's HSE manual, which defines individual HSE responsibilities and suggests ways to promote and support a safe and healthy workplace and to respect the natural and host community environment. Forza Petroleum circulates the HSE manual to employees in all locations and managers regularly discuss the policies with staff at periodic safety meetings. In operational areas, Forza Petroleum has dedicated HSE staff who focus on accident prevention, monitor operational compliance with the HSE policies, define where and what emergency procedures and practices are required to minimize the impact of any adverse incidents, and advise management on statutory HSE requirements and industry best practice. The HSE staff have unrestricted access to the senior management of Forza Petroleum and are supported as required.

The HSE policies of Forza Petroleum emphasize the following:

- **Leadership, Commitment and Training:** Forza Petroleum requires its managers and supervisors to demonstrate a commitment to the HSE policies of Forza Petroleum. This commitment includes not just responsibility for daily operations but also responsibility for reviewing the training requirements of the operations in order to ensure new employees and consultants receive appropriate introduction to the HSE policies. Forza Petroleum then eliminates any identified deficiencies to enable all employees and consultants to perform their duties responsibly and with due regard to the health and safety of others and the environment.

- **Risk Management:** Forza Petroleum manages risk by ensuring that all new projects or modifications to existing facilities undergo a hazardous operations and risk assessment. Forza Petroleum also routinely assesses the risks of its activities and develops action plans to eliminate or minimize impact on personnel, the environment and facilities. Where new or non-routine tasks are implemented, pre-job safety assessments are completed with the personnel who will undertake the tasks so that risks and requirements are known to those personnel.

- **Health and Safety Operations:** Forza Petroleum believes that injury-free and incident-free operation is achievable and works to promote this principle throughout the organization. Forza Petroleum conducts periodic in-house inspections and sponsors third-party health and safety audits to evaluate Forza Petroleum's performance and compliance with applicable regulations, guidelines and best practices. Measures recommended through these exercises are diligently implemented to eliminate or mitigate risks to employees, consultants and the public. The provision of the services of trained medical personnel and suitably equipped facilities at all of Forza Petroleum's field locations enhance the administration of first aid services to Forza Petroleum's consultants and employees. Forza Petroleum encourages employees and consultants to report, and Forza Petroleum investigates, all incidents and potentially hazardous conditions occurring in the course of operations. Knowledge gained from such investigations is communicated to all operational sites of Forza Petroleum to prevent recurrence of similar incidents and hazardous conditions.

- **Environmental Protection:** Forza Petroleum conducts studies to assess the potential impact of planned projects or activities on the environment. Environmental evaluation studies are also conducted periodically to evaluate the impact of Forza Petroleum's activities and opportunities for improvement. Forza Petroleum's waste management plan emphasizes waste minimization and waste reuse in compliance with the regulatory standards and guidelines set by local regulations and where local regulations do not exist, in accordance with international industry practices.

- **Incident Response Plan:** Forza Petroleum has developed an integrated incident response plan to address foreseeable emergencies. This plan provides the framework within which single or multiple emergency situations can be simultaneously managed, while maintaining a disciplined command and control of events. Response plans for emergencies such as fire, well control, medical evacuation, oil spill, civil disturbances and terrorist activity have been developed. Regular exercises are conducted at all locations to assess the awareness and preparedness of responders and to test the adequacy of and, where appropriate, the state of readiness of emergency response equipment.

Capital Expenditure and Near-Term Work Program

In November 2021, Forza Petroleum announced a capital expenditure program budgeted to be $81 million for the year ending December 31, 2022. The program contemplated, among other work, the drilling of 11 wells.

Zey Gawra field budgeted capital expenditures consisted of completion of the Zey Gawra-8 well targeting the Tertiary well, a second well targeting the Zey Gawra Tertiary reservoir, a Zey Gawra Cretaceous well, and a well targeting the Cretaceous reservoir in a previously undrilled structure west of the currently developed Zey Gawra field. As a result of a re-ordering of the work schedule, the Zey Gawra-8 well was completed before year-end 2021 and is now on production. The Zey Gawra-9 well targeting the Cretaceous well was recently completed and is now subject to an extended well test.

At the Demir Dagh field, budgeted capital expenditures consisted of two side tracks of existing wells targeting the Demir Dagh Cretaceous reservoir, and three additional horizontal wells targeting the Demir Dagh Cretaceous reservoir. The side tracks have been completed, with the Demir Dagh-10 side track well on production and the Demir Dagh-3 side track well completed and subject to an extended well test. One of the drilling rigs the Corporation has under contract has been moved to Demir Dagh Pad 8 to spud a new well targeting the Cretaceous reservoir.

Banan budgeted drilling activities consist of a horizontal well targeting the Cretaceous reservoir of the Banan field east of the Great Zab river.

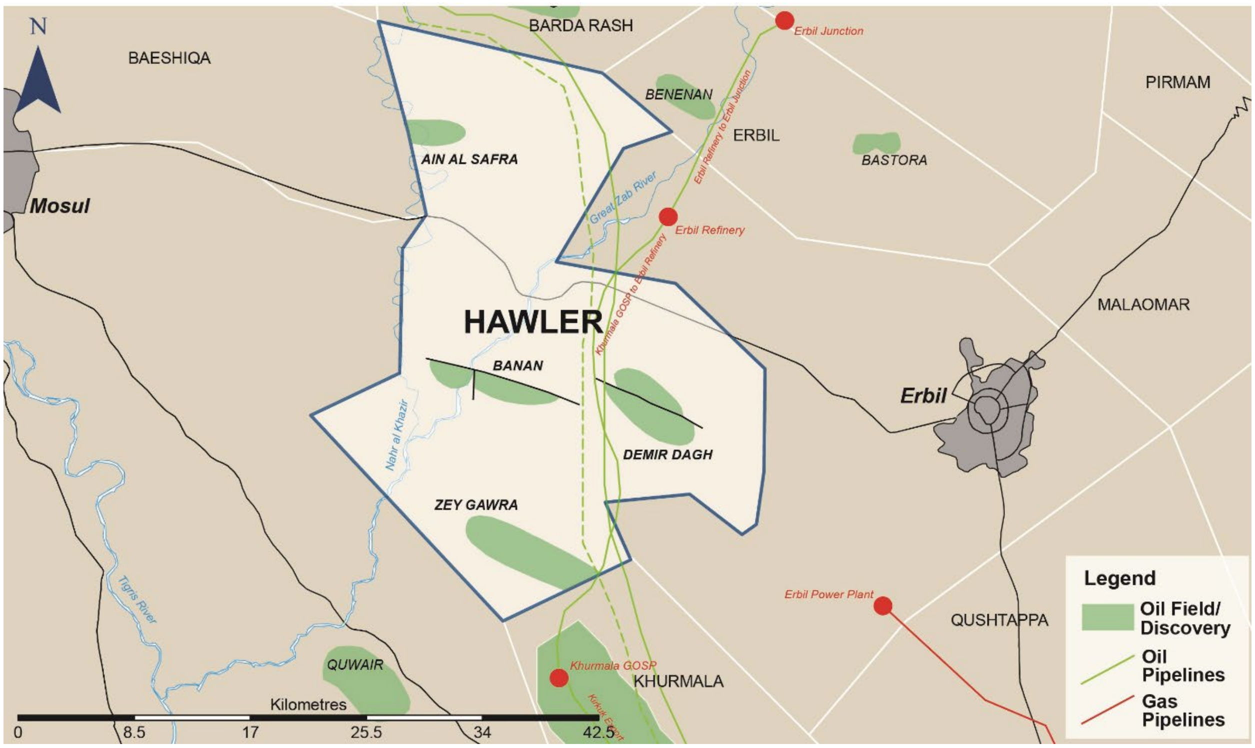
Budgeted capital expenditures for the Ain Al Safra field consist of the completion of the Ain Al Safra-2 well targeting the Triassic reservoir. The Ain Al Safra-2 well was suspended in 2014 prior to testing due to security developments. Subject to regulatory consent, the re-entry and testing of the Ain Al Safra-2 well is expected to be undertaken in Q3 2022.

Facilities capital expenditures in 2022 primarily relate to the construction of a crude oil gathering system to replace trucking in each of the western and southern part of the Hawler license area, to reduce environmental impact and operating expense. Commissioning of the gathering systems, including flow lines connecting each of the Banan field and Zey Gawra field to the Demir Dagh processing facility, is expected during 2022. The Corporation will also undertake other facilities and maintenance activity, including studies and minor infrastructure works, and pads and flowlines needed to accommodate incremental drilling and production and to reduce operating costs.

HAWLER LICENSE AREA

Forza Petroleum has a 65% working interest in the Hawler license area, a development license covering 788 km^2 located in the central part of the Kurdistan Region. Forza Petroleum is the operator of the license area and has made discoveries at the Ain Al Safra, Banan, Demir Dagh and Zey Gawra fields. Forza Petroleum achieved first production from the Demir Dagh field in June 2014, the Zey Gawra field in December 2016, and the Banan field in June 2018.

Map of the Hawler License Area



History

OPHKL was awarded a 100% working interest in the Hawler license area in November 2007. In 2008, the KRG exercised its right to acquire a 35% working interest in the license area and then transferred 15% of this working interest to the Korean National Oil Corporation, leaving the KRG with a 20% working interest and OPHKL with a 65% working interest.

In August 2011, Forza Petroleum acquired all of the outstanding shares of OPHKL. Consideration consisted of a cash payment and contingency payments to be made upon the declarations of the first two commercial discoveries by Forza Petroleum, consisting of $20 million on the first declared commercial discovery, which has been paid, and $71 million in connection with the second declared commercial discovery. After a non-refundable pre-payment of $5 million plus accrued interest was made against the balance on July 31, 2017, the liability was reduced to $66 million plus accrued interest.

In December 2012, in accordance with the terms of the Hawler PSC, Forza Petroleum and the KRG agreed to extend the original boundaries of the Hawler license area by 111 km^2, increasing the initial exploration area to 1,643 km^2.

A declaration of commercial discovery was submitted to the KRG on February 25, 2014, which commenced a development period of 20 years. Contemporaneously with this submission, and in agreement with the KRG, the Corporation relinquished 855 km^2 of the license area. The Hawler license area constitutes a single production area and consists of four fields referred to as Ain Al Safra (220 km^2), Banan (211 km^2), Demir Dagh (197 km^2) and Zey Gawra (160 km^2). The revised field development plan for the Hawler license area, submitted to the KRG in June 2019, contemplates development of all four fields.

The 15% working interest held since 2008 by the Korean National Oil Corporation was re-acquired by the KRG on October 2, 2019.

In 2020, in connection with the change of control of Forza Petroleum's interest in the Hawler license area, Forza Petroleum agreed to amend certain terms of the PSC governing the Hawler license area effective at July 1, 2020. Specifically, Forza Petroleum agreed to a 22% reduction in the cost pool related to its interest and to finance all costs attributed to the 35% interest held by the KRG for the duration of the development period and without a cap on such financing facility. Previously, Forza Petroleum had contracted to finance only the costs attributable to a 20% interest held by the KRG in the license, to a maximum of $300 million. The Ministry of Natural Resources has agreed to waive any rights it has to perform an audit on costs incurred prior to January 1, 2021.

At December 31, 2021, the Corporation determined that the remaining contingent liability has crystallized. The balance of unpaid principal and accrued interest owed under the purchase consideration obligation to the vendor of OPHKL as at the date of this Annual Information Form is $76.2 million. Pursuant to a forbearance agreement dated July 9, 2021, the liability is not payable prior to March 31, 2023. The forbearance agreement establishes that interest will not accrue on the liability from July 23, 2020 to March 31, 2023. The forbearance agreement also contemplates that the parties will undertake reasonable best efforts to negotiate a settlement arrangement in respect of the outstanding obligation. In consideration for such forbearance the Corporation accepted that, to the extent that any distribution was to be made to the Corporation's shareholders during the forbearance period, an equivalent sum would become payable to the vendor of OPHKL, up to the maximum amount of the liability.

Property Description

Forza Petroleum has made discoveries with exploration wells on the Hawler license area at Ain Al Safra, Banan, Demir Dagh and Zey Gawra.

The Hawler license area is characterized by large thrust-bound anticlines. These structures produce both the potential for large, trapped hydrocarbon volumes as well as fracturing within the reservoir to aid well productivity.

Prior to the drilling of the Demir Dagh-2 well by Forza Petroleum, there had been two previous wells drilled in the license area by Iraqi national oil companies: Demir Dagh-1 in 1960, and Zab-1 in 1990 and 1991 (on the currently named Zey Gawra field). Both previous wells had encountered oil shows and flowed oil under limited test conditions.

The Demir Dagh field is estimated to contain 26 MMbbl of gross (100%) proved plus probable oil reserves, as well as 34 MMbbl of unrisked gross (100%) contingent oil resources sub-classified as development pending (risked: 26 MMbbl), 123 MMbbl of unrisked gross (100%) contingent oil resources sub-classified as development unclarified (risked: 38 MMbbl) and 27 MMbbl of unrisked gross (100%) prospective oil resources (risked: 1 MMbbl). The estimated reserves and contingent oil resources sub-classified as development pending at Demir Dagh consist of approximately 89% of 23°API oil in the Shiranish, Kometan and Qamchuqa formations in the Upper Cretaceous and approximately 11% of heavy oil (18°API) in the Pila Spi formation in the Tertiary. The estimated contingent oil resources at Demir Dagh sub-classified as development unclarified are comprised of approximately 47% of light oil (36°API to 43°API) in the Mus and Adaiyah formations in the Lower Jurassic, 36% of light oil (29°API to 32°API) from the Naokelekan and Sargelu formations in the Middle Jurassic, and 17% of 28°API oil from the Butmah formation in the Lower Jurassic. The estimated prospective oil resources at Demir Dagh consist entirely of light oil (40+°API) in the Kurra Chine formation in the Triassic.

The Zey Gawra field is estimated to contain 19 MMbbl of gross (100%) proved plus probable oil reserves, 15 MMbbl of unrisked gross (100%) contingent oil resources sub-classified as development pending (risked: 11 MMbbl) and 22 MMbbl of unrisked gross (100%) prospective oil resources (risked: 1 MMbbl). The estimated reserves at Zey Gawra consist of approximately 68% light oil (35°API) in the Shiranish, Kometan and Qamchuqa formations in the Upper Cretaceous and 32% of light/medium oil in the Pila Spi formation of the Tertiary. The estimated contingent oil resources at Zey Gawra sub-classified as development pending are comprised of approximately 65% of light/medium oil in the Pila Spi formation in the Tertiary and 35% of light oil (35°API) in the Shiranish, Kometan and Qamchuqa formations in the Upper Cretaceous. The estimated prospective oil resources at Zey Gawra consist of light oil in the Alan, Mus and Adaiyah formations in the Lower Jurassic, light oil in the Butmah formation in the Lower Jurassic, and light oil in the Kurra Chine formation in the Triassic.

The Banan field is estimated to contain 21 MMbbl of gross (100%) proved plus probable oil reserves, 20 MMbbl of unrisked gross (100%) contingent oil resources sub-classified as development pending (risked: 15 MMbbl), 2 MMbbl of unrisked gross (100%) contingent oil resources sub-classified as development unclarified (risked: 0 MMbbl) and 35 MMbbl of unrisked gross (100%) prospective oil resources (risked: 1 MMbbl). The estimated reserves at Banan consist of approximately 79% of heavy oil in the Shiranish, Kometan and Qamchuqa formations in the Upper Cretaceous of both the Banan West and East fault blocks and approximately 21% of medium oil from the Pila Spi formation in the Tertiary of the Banan West fault block. The estimated contingent oil resources at Banan sub-classified as development pending consist of approximately 48% of medium oil from the Pila Spi formation in the Tertiary of both the Banan West and East fault blocks and 52% heavy oil in the Shiranish, Kometan and Qamchuqa formations in the Cretaceous in the Banan East fault block. The estimated contingent oil resources at Banan sub-classified as development unclarified consist of light oil from the Butmah formation in the Lower Jurassic in the Banan East fault block. The estimated prospective oil resources at Banan consist of light oil in the Kurra Chine formation in the Triassic in the Banan East fault block.

The Ain Al Safra discovery is estimated to contain 43 MMbbl of unrisked gross (100%) contingent oil resources (risked: 17 MMbbl) and 60 MMbbl of unrisked gross (100%) prospective oil resources (risked: 2 MMbbl). The estimated contingent oil resources at Ain Al Safra consist entirely of heavy oil (18°API) in the Alan, Mus and Adaiyah formations in the Lower Jurassic and are sub-classified as development unclarified. The estimated prospective oil resources at Ain Al Safra consist of approximately 36% of heavy oil in the Butmah formation in the Lower Jurassic and approximately 64% of light oil in the Kurra Chine formation in the Triassic.

As at December 31, 2021, the after tax net present value of the future net revenue for the gross (working interest) proved plus probable oil reserves was $621 million and the after tax risked net present value of the future net revenue for the gross (working interest) contingent oil resources sub-classified as development pending was $159 million, using forecast prices and costs and a 10% discount rate.

Demir Dagh Field

The Demir Dagh field is a large, faulted anticline originally mapped from the 2D seismic data acquired in 2008, and its north-easterly limb has a clear surface expression. The Demir Dagh-1 well was drilled in 1960 to a total depth of 2,668 metres in the Najmah formation in the Upper Jurassic. Forza Petroleum completed geological field studies on the structure in 2011, and spudded its first exploration well, the Demir Dagh-2 well, in July 2012. The drilling of the well was concluded in December 2012 reaching a total depth of approximately 4,020 metres in the Triassic Kurra Chine formation. In December 2013, the Demir Dagh-2 well was re-completed and, in May 2014, became the Corporation's first producing well, allowing commercial oil production from Demir Dagh's Cretaceous reservoirs when the Corporation's temporary production facilities were commissioned on June 19, 2014.

The first well in the Demir Dagh appraisal program, Demir Dagh-3, was spudded in mid-November 2013 and reached a total depth of approximately 4,400 metres in the Triassic Kurra Chine formation in March 2014. The well was drilled down flank of the anticline approximately three kilometres to the southeast of the Demir Dagh-2 discovery well. The Demir Dagh-3 well was initially completed as a producing well from the Cretaceous reservoir but, in January 2016, was re-completed for production from the Jurassic reservoir. The Demir Dagh-3 well achieved cumulative gross (100%) oil production of 533,219 bbl before production ceased late in 2016 due to an abrupt increase in the water-oil ratio.

Subsequent to the original drilling of the Demir Dagh-3 well, the Corporation drilled and tested an additional nine Cretaceous-depth appraisal and development wells at Demir Dagh. Wells (i) have been completed as producing wells, (ii) provided critical data needed to further delineate the Cretaceous reservoir, and/or (iii) had mechanical failures during testing. The Corporation has sidetracked certain of the wells to convert unsuccessful wells into producing wells or to increase production from a well.

First commercial production from the Demir Dagh field commenced in June 2014. In the second half of 2014, operations were impacted by security developments in northern Iraq. For nearly a month, production was shut-in and activity suspended at the Demir Dagh field.

The Corporation acquired 223 km^2 of 3D seismic data over the Demir Dagh structure and the eastern part of the Banan structure during the second half of 2014, which data was processed during 2015. The final processed data, together with well data, permitted a re-interpretation of Demir Dagh reservoir structures. Seismic data interpretation has aided the optimization of well placement in all target reservoirs over the Demir Dagh field.

Early water production experienced in wells completed in the Cretaceous reservoir at the Demir Dagh field in 2015 led to periodic shut-ins and decreased production as the Corporation carefully managed production rates to avoid excessive water production and to align such water production with water handling capacity. The data collected and well performance observed in the Demir Dagh Cretaceous reservoir wells has provided greater confidence in understanding fluid contacts throughout the reservoir, potential recovery from the matrix, fracture orientation and intensity, compositional gradient and the consequent importance of depth of completion, and, to some extent, the constraints on maximum plateau production rates for individual wells. This data and understanding has been incorporated into a revised development plan for the Demir Dagh Cretaceous reservoir.

A horizontal sidetrack of the previously drilled Demir Dagh-3 well targeting the Cretaceous reservoir was successful and completed as a producing well in December 2019. The Demir Dagh-3 well was the Corporation's first successful implementation, in the Demir Dagh field, of the horizontal well design that is integral to development plans for the Cretaceous reservoirs in the Hawler area fields. The Corporation has since drilled the Demir Dagh-12 well and further sidetracks of the previously drilled Demir Dagh-2, -3 and -10 wells.

Based on data and observations from drilling the earlier wells, the Corporation targeted the Tertiary reservoir in the Demir Dagh field for the first time with the Demir Dagh-13 well which was spudded December 3, 2021. The well was completed and put on production in January 2022. The well is producing heavy oil (18°API) with artificial lift.

Estimates of oil reserves attributable to the Demir Dagh Cretaceous reservoir are based on evaluation of the performance data from existing Demir Dagh producing wells. Based on logging and pressure data collected during the drilling of the Demir Dagh-13 well, oil reserves were attributed to the Demir Dagh Tertiary reservoir at December 31, 2021.

Permanent production facilities located in the Demir Dagh field, referred to in this Annual Information Form as DDPF, were commissioned in September 2015.

Zey Gawra Field

The Zey Gawra field is an anticline lying on the Kirkuk field trend and is the last closure to the northwest of the Khurmala Dome. It was originally drilled in 1990/1991, and re-entered and completed in 2003. It encountered oil shows throughout the Pila Spi (Tertiary) to Kurra Chine (Triassic) sequence.

In December 2013, the Corporation announced a successful discovery at the Zey Gawra field. The Zey Gawra-1 well, spudded in April 2013 and drilled to a total depth of 4,398 metres, was flow tested over an 81 metre column in the Cretaceous reservoir.

Planned activity in the Zey Gawra field for the second half of 2014 was not able to proceed as a result of security concerns and continued to be suspended until 2016.

With security improvements in the area around the Zey Gawra field, the KRG authorized the Corporation to re-start appraisal activity in the Zey Gawra field in the second half of 2016. The Corporation has since re-entered the Zab-1 well, originally spudded in 1990, sidetracked the Zey Gawra-1 well penetrating the Zey Gawra Cretaceous reservoir, sidetracked the Zab-1 well in the Cretaceous reservoir and drilled and completed an additional five wells, the Zey Gawra-2, -3, -4, -6 and -9 wells.

During drilling targeting the Cretaceous reservoir, the Corporation has evaluated the shallower Tertiary reservoir. Logging and pressure data collected during the drilling of the Zab-1 sidetrack well in the second half of 2017 confirmed the presence of an oil column in the Tertiary. With the benefit of further data, the Corporation advanced appraisal and development of the Tertiary reservoir with the Zey Gawra-5, -7 and -8 wells.

Crude oil produced at the Zey Gawra field is hauled by tanker from Zey Gawra to the Hawler tanker terminal where it is offloaded and then pumped to the Demir Dagh storage system where it is blended with Demir Dagh and Banan crude oil before being exported through the Kurdistan Oil Export Pipeline. The use of leased production facilities in the Zey Gawra field has allowed the Corporation to avoid the expenditure of permanent facilities while the Corporation continues the extended well test of Zey Gawra wells and considers plans for further appraisal of the Zey Gawra field.

Banan Field

The Banan field is a faulted anticline located along strike and immediately adjacent to the anticline of the Demir Dagh field. The structure has two separate accumulations, in two separate fault blocks referred to as Banan East and Banan West, which are roughly delineated by the Zab River.

In September 2013, the Banan-1 well was spudded in the Banan East fault block. The Banan-1 well targeted oil potential in the Cretaceous, Upper and Lower Jurassic and the Triassic. The well reached a total depth of approximately 4,000 metres in the Kurra Chine formation in the Triassic, however, due to challenging well control conditions experienced in the Triassic, where the well encountered and flowed hydrocarbons to surface, Banan-1 was plugged back to 3,400 metres in the Lower Jurassic formations. Oil was successfully flowed in two of six cased hole drill stem tests on the Banan-1 exploration well, one in each of the Cretaceous (Shiranish and Top Kometan formations) and the Lower Jurassic (Butmah formation). Importantly, the drilling results showed the existence of additional reservoirs for further appraisal and testing as part of the appraisal program for Banan.

In November 2013, the Corporation completed the acquisition of approximately 210 km of 2D seismic data covering the extended Banan West portion of the Hawler license area, which enabled the Corporation to better understand and map the Banan structure. Then 3D seismic data was acquired over Banan East in the second half of 2014 and was processed during 2015. The seismic data, together with well data, permitted a re-interpretation of structures identified over several reservoirs at Banan and have helped in optimizing well placements.

The Banan-2 appraisal well was spudded in June 2014, approximately 5 kilometres to the northwest of the Banan-1 exploration well. The Banan-2 well targeted oil potential in Cretaceous, Jurassic and Triassic formations. The well reached a total depth of approximately 2,600 metres in August 2014 before drilling was suspended due to deterioration in the security environment. Logging and drilling results indicated the presence of hydrocarbons in several reservoirs.

With security improvements in the area around the Banan field, the Corporation restarted drilling activity at the Banan field in the first half of 2018. The Corporation has since drilled five wells each of which has targeted the Cretaceous or Tertiary reservoir in the Banan West fault block. In addition, the Banan-2 well was completed in the Cretaceous reservoir of the Banan West fault block.

After sidetracking the previously drilled Banan-1 well in 2020, the Corporation followed up with the Banan-8 well in the Banan East fault block during 2021. The Banan-8 well targeted the Cretaceous reservoir but provided an opportunity to log the Tertiary reservoir during drilling. Evaluation of the shallow Tertiary Pila Spi reservoir revealed that there is no oil column in the reservoir at this location. The Corporation continues to analyze the results to determine where the Tertiary reservoir can be successfully developed east of the Great Zab River.

Ain Al Safra Discovery

The Ain Al Safra discovery is a broad fault-bounded anticline, which extends beyond the boundary of the Hawler license area into the DNO ASA-operated Baeshiqa license area located to the northwest. The discovery is covered by 2D seismic data and extensive geological mapping.

The Ain Al Safra-1 well reached a depth of 3,039 metres in the Upper Triassic in late August 2013, having been originally scheduled to be drilled to a total depth of 4,150 metres. Drilling was suspended and the well secured at the 3,039 metre depth as heavy losses of drilling fluids caused the bottom hole assembly to become stuck. The well was logged down to the Lower Jurassic and there was evidence of oil shows in the Cretaceous, Jurassic and Lower Jurassic of varying quality. The Cretaceous reservoir was deemed wet and not tested. In the Lower Jurassic reservoirs, free oil on the shakers and sizable losses of drilling fluids were observed during drilling with oil flowing to surface.

The Ain Al Safra-2 appraisal well was spudded in March 2014 to further evaluate the Jurassic formations and explore the potential in the Triassic that the first exploration well was not able to assess. The Ain Al Safra-2 appraisal well was drilled to a total depth of approximately 3,700 metres in the Triassic in August 2014. Based on logging data and observations during drilling a testing program targeting the Jurassic and

Triassic reservoirs was designed. However, due to security developments, operations were suspended in August 2014, before testing could be conducted.

Subject to regulatory consent, appraisal and development activity on the Ain Al Safra field is scheduled to restart in Q3 2022 with the completion of the Ain Al Safra-2 well in the Triassic reservoir.

Appraisal and Development Work Plan

Forza Petroleum's budgeted capital expenditures for the Hawler license area are $81 million for 2022. The 2022 budgeted capital expenditures program includes 11 wells including, in no particular order, completion of a Zey Gawra Tertiary well, which was budgeted to be spudded in December 2021, and a further well targeting the Zey Gawra Tertiary reservoir, a Zey Gawra Cretaceous well, a well targeting the Cretaceous reservoir in a previously undrilled structure west of the currently producing Zey Gawra field, two side tracks of existing wells targeting the Demir Dagh Cretaceous reservoir, three additional wells targeting the Demir Dagh Cretaceous reservoir, the completion of the Ain Al Safra-2 well that was suspended prior to testing the Triassic reservoir due to the invasion of ISIS in 2014, and a well targeting the Cretaceous reservoir of the Banan field east of the Great Zab river.

Forecast facilities expenditures include processing facilities and pipelines connecting each of the Banan field and the Zey Gawra field to the Hawler production facilities at the Demir Dagh field, and pads, flowlines and infrastructure modifications needed to accommodate incremental drilling and production and to reduce operating costs.

The Zey Gawra-8 well targeting the Tertiary reservoir spudded earlier than expected on November 12, 2021 and was completed in December 2021 and put on extended well test. The Zey Gawra-9 well, targeting the Cretaceous reservoir, was spudded earlier than expected on January 9, 2022, drilled and is now on extended well test. Side tracks of two existing wells targeting the Demir Dagh Cretaceous reservoir have also been completed since the start of 2022.

Conceptual Development

Gross (100%) future capital expenditures, including abandonment and reclamation costs, over the full life of the fields for the proved plus probable oil reserves at Banan, Demir Dagh and Zey Gawra, are estimated by NSAI to be approximately $178 million. Average gross (100%) operating expenses of approximately $5.32 per bbl are also estimated by NSAI.

See Form 51-101F1 "Statement of Reserves Data and Other Oil and Gas Information" effective as at December 31, 2021 filed by the Corporation on SEDAR on March 3, 2022 for further information regarding Forza Petroleum's plans to develop its oil reserves.

Facilities

Commissioning of the DDPF was completed in September 2015. The DDPF has two trains with the ability to process light, heavy, sweet and sour crude oil types. The DDPF has a total processing capacity of 40 Mbbl/d. Future upgrades to increase the DDPF's capacity should be possible with minor modifications. Forza Petroleum also has the ability to contract temporary facilities to increase capacity at the DDPF, if needed. Temporary facilities, with a capacity of 10,000 bbl/d, are currently under contract and in use at the Zey Gawra field. Temporary facilities at the Banan field have a current capacity of 13,000 bbl/d. In each case, the capacity of temporary facilities can be easily adjusted with addition or removal of equipment as necessary to align facilities with the productive capacity of producing wells in the applicable field.

Storage tanks with a capacity of 15 Mbbl and export facilities have been constructed as part of the DDPF allowing for centralized metering and a single custody exchange point. The Corporation's two tie-in points to the Kurdistan Oil Export Pipeline were completed in late 2013 at Demir Dagh and Ain Al Safra. The Corporation's facilities are tied-in to the Kurdistan Oil Export Pipeline by way of 1.2 km of 16-inch pipeline between the DDPF and the Kurdistan Oil Export Pipeline tie-in point at Demir Dagh.

A tanker terminal with a loading capacity of 40 Mbbl/d was constructed at Demir Dagh approximately 9.5 kilometres from the DDPF, near the main highway. Additional storage tanks, with a capacity of 10 Mbbl, are installed at the tanker terminal. From first commercial production from Demir Dagh on June 19, 2014 through February 2016, crude oil produced from the Hawler license area was transported by truck for domestic and international sale. In 2016, pipeline infrastructure to export oil via the Kurdistan Oil Export Pipeline was commissioned. Pipeline export sales commenced on March 14, 2016. Since that time, all production has been sold to the KRG at the tie-in point to the Kurdistan Oil Export Pipeline.

Modifications to the Hawler tanker terminal were completed in the second half of 2016 to permit unloading of oil, which can be flowed by pipeline to the Demir Dagh storage system for export. The tanker terminal was then reopened in order to receive crude oil produced from the Zey Gawra field. Production from the Banan field has also been unloaded at the tanker terminal since June 2018. The tanker terminal has an unloading capacity of 15 Mbbl/d. In its current configuration, the tanker terminal can only accommodate unloading of oil. Further modifications would be required in order to permit both loading and unloading, if needed, though it is expected that all future oil production will be exported by pipeline.

Facilities capital expenditures budgeted for 2022 at the Demir Dagh production facility are comprised of minor infrastructure works including pads and flow lines to accommodate drilling plans and additional production. Gathering systems, including pipelines between each of the Banan and Zey Gawra fields and the DDPF, are also budgeted to reduce the risk of environmental impact and the relatively high cost of tanker transport operations in the area.

The conceptual development plan for the contingent oil resources contemplates additional flow lines and processing capacity at Demir Dagh to handle the additional volumes at the Banan, Demir Dagh and Zey Gawra fields. Stand alone development is considered by NSAI for the Ain Al Safra field, with separate processing facilities located at Ain Al Safra, and a direct tie-in to the Kurdistan Oil Export Pipeline.

KEY CONTRACTUAL TERMS

Hawler License Area

The Hawler PSC has the following key terms applicable to the development period which was entered into on February 25, 2014:

- **Development period:** The development period under the Hawler PSC is 20 years with the right to an automatic five-year extension. A further extension period of five years is available upon application by the contractor and approval by the applicable authorities.

- **Surface area fees:** The KRG is entitled to a per square kilometer annual lease payment.

- **Production royalties:** The KRG is entitled to a royalty equal to 10% of crude oil produced from the contract area.

- **Cost recovery oil:** The contractor is entitled to up to a maximum percentage of production of crude oil in any calendar year, after deduction of the volumes of production for the applicable royalty, for the purpose of recovering costs incurred in the conduct of petroleum operations. The costs that are considered to be recoverable include: capital expenditures, operating expenditures, decommissioning/abandonment costs (in the year that they are invested), surface area fees, and expenses paid to the government for the purpose of personnel, training, environment, and technical and logistical assistance. The costs that are considered to be non-recoverable include: production bonuses, consideration payments, capacity building payments, and signature bonuses.

- **Profit oil:** Following deduction of volumes for cost recovery and for the applicable royalty, the allocation of the balance of petroleum produced in a calendar year as between the KRG and the contractor is determined in accordance with an "R" factor calculated as cumulative revenues received by the contractor until the end of the relevant six-month period divided by cumulative costs incurred by the contractor until the end of the relevant six-month period. Once "R" exceeds 1 the contractor's entitlement is reduced on a straight-line basis, subject to a minimum amount.

- **Bonus/other payments:** The contractor is obligated to pay: (i) bonus and capacity building payments upon certain production milestones, and (ii) other annual payments.

- **Decommissioning/abandonment costs:** During the final ten years of the production operations the contractor may, and in any event in the final year must, place contributions made to a decommissioning reserve fund with a bank approved by the management committee comprised of representatives of the KRG and the contractor. Once established, the contractor must make regular contributions to this fund, which can then be deemed petroleum costs at the time of investment and therefore recovered. The contributions to the fund will be based upon decommissioning costs estimated in accordance with prudent international petroleum industry practice. The KRG may consider a contractor's request for a longer period than the ten years specified in which to make contributions.

The table below summarizes the applicable key fiscal terms of the Hawler PSC, as well as the related key financial terms with its partners.

	Hawler
Forza Petroleum Working Interest:	65%
KRG Working Interest:	35%
Development Period:	20 years + 5 years
Royalty:	10%
Cost Recovery Limit:	
Oil and associated gas	40%
Non-associated gas	50%
Cost Pool (working interest) as at December 31, 2021:	$474.1 million[1]
Contractor Share of Profit Oil:	R<=1 28%
	1<R<=2 Straight Line
	R>2 14%
Annual Lease Payments per km^2:	$100
Production Bonus Payments:	
Start of Production	$2.5 million[2]
10 MMbbl cumulative	$5.0 million[2]
25 MMbbl cumulative	$10.0 million[2]
50 MMbbl cumulative	$20.0 million[2]
Capacity Building Payments:	
First Commercial Discovery	$50.0 million[3]
R<=1	15% of Forza Petroleum Profit Oil

	Hawler
R>1(4)	30% of Forza Petroleum Profit Oil
Other Payments to Region per annum:	$2.4 million
Contingency Payments:	$91 million(5)
Other Payments to Region:	—
Government Carry:	Forza Petroleum carries KRG's share of contractor costs. Amounts are recovered through collection of KRG's share of Cost Oil.
Other Partner Carry:	—

Notes:

(1) Includes partner share of costs which are being carried by Forza Petroleum and has been reduced by $272.9 million to reflect amounts already recovered by Forza Petroleum from oil sales. The Cost Pool balance is net of a $137 million reduction on July 1, 2020 agreed with the Ministry of Natural Resources in connection with securing its consent to the 2020 change of control.

(2) Payments are required to be made per sub-area. The Demir Dagh and Banan fields are located in one sub-area, the Ain Al Safra discovery is located in a second sub-area, and the Zey Gawra field is located in a third sub-area. The start of production bonus has been paid in respect of the Demir Dagh and Banan fields sub-area and the Zey Gawra sub-area. The 10 MMbbl cumulative production bonus has been settled in respect of the Demir Dagh and Banan fields sub-area.

(3) Amount has been paid in full.

(4) Once R value is above 1 it can no longer fall below 1.

(5) Total contingency payments to be made by Forza Petroleum to previous owners of OPHKL upon the declarations of the first two commercial discoveries by Forza Petroleum, consisting of $20 million on the first declared commercial discovery, the full amount of which has been paid, and $71 million in connection with the second declared commercial discovery, $5 million of which has been paid, each such amount subject to interest. At December 31, 2021, the Corporation determined that the remaining purchase price liability has crystallized. The balance of unpaid principal and accrued interest owed under the purchase consideration obligation to the previous owners of the Hawler license area as at that date was $76.2 million.

For a discussion on the other contractual terms Forza Petroleum has with its partners in respect of the Hawler license area see "Hawler License Area – History" and "Material Contracts".

DIVIDENDS

Dividends have not previously been declared or paid by Forza Petroleum, and the Corporation does not maintain a dividend policy. The Board will determine if and when dividends should be paid based on Forza Petroleum's financial requirements, capital expenditure plans, financial condition and other factors considered to be relevant by the Board.

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series. As at the date of this Annual Information Form, Forza Petroleum had 584,976,202 Common Shares and no Preferred Shares issued and outstanding.

Common Shares

The holders of Common Shares are entitled to receive notice of, and to cast one vote per share at, every meeting of shareholders of the Corporation, to receive such dividends as the Board may declare and to share equally in the assets of Forza Petroleum remaining upon the liquidation of Forza Petroleum after the debts owed to creditors of Forza Petroleum have been satisfied, subject to prior rights of holders of Preferred Shares.

Preferred Shares

The Preferred Shares are issuable in series, with each series consisting of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by the Board prior to the issuance thereof. With respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the Preferred

Shares are entitled to preference over the Common Shares and any other shares ranking junior to the Preferred Shares and may also be given such other preference over the Common Shares and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of each series.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed on the Toronto Stock Exchange under the symbol "FORZ". The following table sets forth, for each month of the financial year ending December 31, 2021, the reported high and low prices (denominated in C$) and the aggregate volume of trading of the Common Shares on the Toronto Stock Exchange:

Calendar Period	High	Low	Volume
2021			
January	0.13	0.06	1,080,844
February	0.12	0.09	548,346
March	0.115	0.075	832,152
April	0.10	0.075	158,551
May	0.115	0.070	1,226,237
June	0.11	0.095	218,966
July	0.12	0.095	414,117
August	0.115	0.095	369,615
September	0.125	0.10	811,332
October	0.195	0.105	878,057
November	0.185	0.11	473,406
December	0.18	0.13	444,116

Common Shares

For the twelve-month period prior to the date of this Annual Information Form, Forza Petroleum has not issued any Common Shares or securities convertible into Common Shares other than 6,778,984 Common Shares issued to participants under the LTIP in September 2021.

Warrants

An affiliate of AOG had been issued 33,149,000 common share purchase warrants in connection with an amendment to the AOG Loan Facility in March 2020. In connection with the change of control of the Corporation in July 2020, on July 23, 2020, the warrants were acquired by and transferred to Zeg Oil. Each warrant entitles the holder to acquire one Common Share at the applicable strike price.

The table below summarizes all warrants currently outstanding.

Holder	No. of Warrants	Strike Price	Expiry Date
Zeg Oil and Gas Limited	33,149,000	$0.1633	March 10, 2023

Equity Compensation Plans

The following table summarizes the equity securities of the Corporation that are authorized for issuance as of the date of this Annual Information Form.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders			
- Long Term Incentive Plan	20,742,033[(1)]	N/A[(2)]	37,755,587
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	**20,742,033**	**N/A**	**37,755,587**

Notes:
(1) This number represents the total number of LTIP awards that have been granted and remain unvested as of the date of this Annual Information Form.
(2) The LTIP awards will automatically vest in accordance with the terms of the Corporation's LTIP.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the Corporation's knowledge, as at December 31, 2021 and the date of this Annual Information Form, there are no securities of the Corporation held in escrow or that are subject to a contractual restriction on transfer.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and executive officers of the Corporation, at the date hereof, other than Zeg Oil with holdings of 500,152,674 Common Shares, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

As at the date of this Annual Information Form, Zeg Oil holds Common Shares of the Corporation as follows:

Registered shareholder name	Common Shares owned, controlled or directed		
	(Number)	(%)	(% fully-diluted)
Zeg Oil and Gas Limited	500,152,674	85.5%	83.5%

Zeg Oil is a privately held company based in the Kurdistan Region that provides a broad range of engineering and construction services to the energy sector. Pursuant to the subscription agreement governing Zeg Oil's initial investment in March 2016, Zeg Oil maintains certain ongoing rights, including, but not limited to, (i) the right to nominate, based on the current size of the Board, one of the proposed directors submitted to the annual meeting of shareholders for consideration, and (ii) the right, subject to certain exceptions, to maintain its proportionate ownership in connection with any additional issuance of any Common Shares for so long as Zeg Oil maintains at least a 10% shareholding in Forza Petroleum.

EXECUTIVE OFFICERS AND DIRECTORS

Summary Information

The following table sets forth certain summary information in respect of the executive officers and directors of the Corporation as at December 31, 2021. Mr. Newman was first appointed director of the Corporation on incorporation in December 2012. Mr. Camp was first elected director of the Corporation on June 15, 2016. Mr. Janele was first elected director of the Corporation on June 27, 2018. Mr. Zouari was appointed a director and chair of the Board on August 17, 2020.

Name, city and country of residence	Position with the Corporation	Principal occupation during the five preceding years	Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly(6)
Brad Camp(1)(2)(3)(4)(5) Erbil, Iraq	Director	Managing Director, Darb al-Iraq, a consulting firm	139,476
Peter Janele(1)(2)(3)(4)(5) Penticton, B.C., Canada	Director	Founder, Janele Technology and Research Corp Former Member, Exploration Review Team, Chevron Corp	0
Kevin McPhee Geneva, Switzerland	General Counsel and Corporate Secretary	General Counsel and Corporate Secretary	2,896,131
Peter Newman(1)(2)(3)(4)(5) Surrey, United Kingdom	Director	Corporate Director	368,722
Vance Querio Geneva, Switzerland	CEO	Chief Executive Officer	4,410,212
Lindsey Rosebush Geneva, Switzerland	Head of Finance	Head of Finance since July 2020 Former Financial Accounting Manager, Forza Petroleum	1,473,032
Sami Zouari(5) London, England	Chair	Former Chief Financial Officer and Board Member, Gulf Keystone Petroleum	0

Notes:

(1) Member of the Audit Committee. Peter Newman is the Chair of the Audit Committee.
(2) Member of the Corporate Governance Committee. Peter Newman is the Chair of the Corporate Governance Committee.
(3) Member of the Nomination and Compensation Committee. Brad Camp is the Chair of the Nomination and Compensation Committee.
(4) Member of the Technical and Resources Committee. Peter Janele is the Chair of the Technical and Resources Committee.
(5) Independent director.
(6) The information as to shares beneficially owned, or controlled or directed, directly or indirectly, is not within the knowledge of the Corporation and has been furnished by the respective individuals.

Common Share Ownership

As of the date of this Annual Information Form, the directors and executive officers of the Corporation, as a group, beneficially own, control or direct 9,287,573 Common Shares, representing 1.6% of the outstanding Common Shares.

Terms of Directors and Executive Officers

Directors are elected for a term expiring at the conclusion of the next annual meeting of shareholders of the Corporation, or until their successors are duly elected or appointed pursuant to the CBCA, and such directors will be eligible for re-election. Executive officers serve at the discretion of the Board.

Indebtedness of Directors and Executive Officers

As at the date of this Annual Information Form, there are no executive officers, directors, employees or former executive officers, directors or employees of the Corporation or any of its subsidiaries that are indebted to the Corporation or any of its subsidiaries except for routine indebtedness.

Corporate Cease Trade Orders and Bankruptcies

To the knowledge of the Corporation, no director or executive officer of the Corporation (nor any personal holding company of any such persons) is, as at the date of this Annual Information Form, or was within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Corporation), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days, and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to such 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.

On July 7, 2020, OP Congo SA, a wholly-owned subsidiary of the Corporation, declared suspension of payments and requested implementation of liquidation in accordance with the OHADA Uniform Act Organizing Collective Proceedings for Clearing of Debts. By judgment dated March 24, 2021, the Commercial Court, Pointe-Noire Republic of the Congo pronounced the commencement of the liquidation of the entity. Vance Querio, CEO of Forza Petroleum, was Administrateur Général of OP Congo SA at the time the liquidation process commenced. Other than the foregoing, to the knowledge of the Corporation, no director or executive officer of the Corporation (nor any personal holding company of any such persons), or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation: (i) is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties and Sanctions

To the knowledge of the Corporation, no director or executive officer of the Corporation (nor any personal holding company of any such persons), or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Corporation’s knowledge, and except as disclosed in this Annual Information Form, there are no existing or potential material conflicts of interest among the Corporation or a subsidiary of the Corporation and a director or executive officer of the Corporation or a subsidiary of the Corporation at the date of this Annual Information Form. Certain of the directors and executive officers of the Corporation serve as directors and executive officers of other companies. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Corporation.

AUDIT COMMITTEE

The Audit Committee's Charter

The Audit Committee is mandated to assist the Board in fulfilling applicable public company obligations respecting audit committees and its oversight responsibilities with respect to financial reporting and management's design and implementation of reporting on internal controls. A copy of the Audit Committee Charter is attached to this Annual Information Form as Schedule B.

Composition of the Audit Committee

The members of the Audit Committee, as appointed by the Board, are Brad Camp, Peter Janele and Peter Newman (Chair). All of the Audit Committee members are independent and "financially literate", as such term is defined in National Instrument 52-110 – *Audit Committees*. In considering criteria for the determination of financial literacy, the Board considered the member's ability to read and understand a balance sheet, an income statement and a cash flow statement of a public company, to understand the accounting principles used by the Corporation to prepare its financial statements, to assess the general application of the accounting principles used to prepare such financial statements in connection with the accounting for estimates, accruals and reserves, the member's past experience in reviewing or overseeing the preparation of financial statements that present a breadth and level of complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements and the member's understanding of internal controls and procedures for financial reporting.

Relevant Education and Experience

Brad Camp, Director and Chair of the Nomination and Compensation Committee

Brad Camp is the Managing Director of Darb al-Iraq, a consulting firm that provides market intelligence and advisory services to persons investing in the Kurdistan Region. Mr. Camp advises indigenous companies on developing management structures and strategic planning within their organizations, assists foreign investors seeking to participate in energy projects in Iraq, and is a direct investor in various early stage projects in the Kurdistan Region. Mr. Camp's recent projects include the development of an integrated petroleum project, an agricultural project and the first major refinery in the Kurdistan Region. Mr. Camp's role as an experienced advisor and his involvement in managing complex projects has involved review and understanding of financial statements and he is specifically familiar with the complex accounting issues related to the operations of international oil and gas companies. Mr. Camp has a Masters in Management from New York University.

Peter Janele, Director and Chair of the Technical and Resources Committee

Peter Janele is the founder and owner of Janele Technology and Research Corporation, a Canadian-based consultancy that focuses on the development and application of solutions for the energy industry.

Mr. Janele has extensive international experience in upstream oil and gas production and exploration. He was employed at Chevron Corporation for 38 years and held assignments in Canada, Indonesia, Kuwait and the United States. During his corporate career, he gained expertise in upstream oilfield operations including production and reservoir engineering, subsurface reservoir characterization, flow and recovery modeling, field asset management, business planning and applied statistical analysis. In his last assignment, Mr. Janele was part of an exploration review team that was responsible for resource volumetric estimation and risk quantification for Chevron's global exploration portfolio. He has extensive experience in both conventional and non-conventional resources.

Mr. Janele holds a Bachelor of Applied Science from the University of British Columbia (Canada), a Master's Degree from the University of Southern California (USA) and a PhD in Mechanical Engineering from the University of Alberta (Canada).

Peter Newman, Director and Chair of the Audit Committee and the Corporate Governance Committee

Peter Newman is a qualified Chartered Accountant in England and has extensive experience in accounting and auditing. He was a partner at Deloitte LLP in London where he led the firm's oil and gas sector practice globally from 2002 until his retirement in 2009. Prior to that, Mr. Newman was a member of the oil and gas group at Arthur Andersen LLP in London where he became a partner in 1989 and led the firm's oil sector practice across Europe, the Middle East, India and Africa. Mr. Newman also worked with Mobil Corporation from 1980 to 1984 as an auditor in several countries across Europe, Africa and the Far East.

Audit Committee Oversight

Since incorporation, all recommendations by the Audit Committee to nominate or compensate external auditors have been adopted by the Board.

Pre-Approval Policies and Procedures

As set out in the Audit Committee Charter, all non-audit services to be provided to the Corporation by the external auditors of the Corporation, including fees and terms for all non-audit engagements, must be pre-approved by the Audit Committee and in such regard, the Audit Committee has established the types of non-audit services the external auditor shall be prohibited from providing and has established the types of non-audit services for which the Audit Committee may retain the external auditor. The Audit Committee may delegate to one or more of its members the authority to approve non-audit services, provided that any such delegated pre-approval shall be exercised in accordance with the types of particular non-audit services authorized by the Audit Committee to be provided by the external auditor and the exercise of such delegated pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

External Auditor Service Fees

The Corporation's external auditor, Deloitte S.A., has billed the below fees for products and services provided by it to the Corporation during the last two fiscal years.

External Auditor Service Fees	**Fiscal year ended December 31, 2021** ($ thousand)	**Fiscal year ended December 31, 2020** ($ thousand)
Audit Fees[1]	264	262
Audit-Related Fees[2]	39	117
Tax Fees[3]	18	37
All Other Fees[4]	0	0
Total Service Fees	**321**	**416**

Notes:

(1) "Audit Fees" include fees necessary to perform the annual financial statement audits.

(2) "Audit-Related Fees" include fees for assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of Forza Petroleum's financial statements other than those included in "Audit Fees".

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax advice and tax planning.

(4) "Other Fees" include fees for products and services provided by the auditor other than those included above, such as due diligence relating to acquisitions made by the Corporation.

RISK FACTORS

The risks and uncertainties described herein are not the only risks and uncertainties that Forza Petroleum faces. Additional risks and uncertainties of which Forza Petroleum is not currently aware or that Forza Petroleum currently believes to be immaterial may also materially adversely affect Forza Petroleum's business, assets, title to assets, liabilities, financial condition, results of operations, prospects, cash flows and the trading price or value of the Common Shares (one or more of the foregoing, a "**Material Adverse Effect**"). The occurrence of any of the possible events and risks described below and elsewhere in this Annual Information Form could have a Material Adverse Effect.

Risks Relating to Forza Petroleum's Stage of Development

Forza Petroleum is a junior oil producer.

Forza Petroleum is subject to risks, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources. There is no assurance that an investor will achieve a return on their investment and the likelihood of achieving a return should be considered in light of Forza Petroleum's size and its focus on a single asset.

Whether or not the Corporation's operating activities will generate profit or cash in the future is highly uncertain and depends on numerous factors including the Corporation's ability to sustain or increase current crude oil production levels, Forza Petroleum realized crude oil prices, timely receipt of payments for oil sales, and required operating cost. Only a small portion of Forza Petroleum's oil reserves are classified as proved reserves. If oil sales prices weaken or if payment arrears for oil sales are not received, then it may not be feasible to proceed with the field development plan for the Hawler license area. If current production levels cannot be sustained, or if appraisal of discoveries or development of fields is unsuccessful, Forza Petroleum may be limited in its ability to generate earnings.

While net cash generated from operating activities was $51.2 million for the year ended December 31, 2021, there are no assurances that Forza Petroleum's operating activities will generate net cash in the future. As was the case for the year ended December 31, 2019, net cash generated from operating activities may be insufficient to cover net cash used in investing activities. Insufficient cash flow from the operating activities of the Corporation could impede the Corporation's ability to raise capital through debt or equity financing to the extent required to fund the Corporation's business operations. If the Corporation does not generate sufficient cash flow from its operating activities it may need to look to external financing sources. There can be no assurance that such sources of financing will be available on acceptable terms or at all. If the Corporation raises additional funds by issuing equity securities, shareholders could suffer dilution. If adequate funds are not available, the Corporation may be required to reduce, delay, scale back or eliminate development plans.

Exploration, appraisal, development and production activities may not result in the discovery, acquisition or commercially viable production of oil reserves.

Exploration, appraisal and development of license areas and production of oil is speculative and involves a significant degree of risk. The long-term commercial success of Forza Petroleum will depend on its ability to find, acquire, develop and profitably produce oil reserves through its existing Hawler license area or any license areas it may acquire in the future. Profit generated in one period is not a guarantee that profit will be generated in future financial periods.

Forza Petroleum's oil and gas assets are currently all in the Hawler license area. The success of Forza Petroleum is currently dependent on positive results from the Hawler license area. Any failure at the Hawler license area could result in a Material Adverse Effect.

It is impossible to predict in advance of drilling and testing whether any particular well, reservoir or field will yield oil in sufficient quantities to recover drilling or completion costs or to be commercially viable. The use of existing technologies, the study of producing fields in the vicinity and results from wells previously drilled in the Hawler license area do not enable Forza Petroleum to know conclusively prior to drilling whether oil will be present or, if present, will be in sufficient quantities to be commercially viable to develop. Even if commercially viable amounts of oil exist, Forza Petroleum may damage potentially productive hydrocarbon bearing formations or experience operational difficulties while drilling or completing wells, resulting in a reduction in production from the affected well or abandonment of the well. There is no assurance that the analogies Forza Petroleum draws from available data from other wells, more fully explored locations or producing fields will accurately apply to reservoirs in the license area. Ultimately, the cost of drilling, completing and operating wells is often uncertain and new wells may not achieve intended production levels. Forza Petroleum may terminate its plans for a reservoir or formation if available information indicates that the possible development of the reservoir or formation is not commercially viable and, therefore, does not merit further investment. Failure to successfully develop reservoirs and formations to supplement the reservoirs from which the Corporation is already producing could have a Material Adverse Effect.

Forza Petroleum's oil production, cash flows and earnings are highly dependent upon its ability to successfully explore and develop the Hawler license area in the near term. In the longer term, they are dependent on its ability to select and acquire new license areas or to replace reserves that are depleted by production. Forza Petroleum may not be able to find or acquire oil resources or reserves or develop them for commercially viable production for a variety of reasons, including due to lack of capital or an inability to negotiate commercially reasonable terms for the acquisition, exploration, development or production of additional license areas. Factors such as political discord, political change, changes in interpretation of laws, adverse weather conditions, natural disasters, equipment or services shortages, procurement delays or difficulties arising from unfavourable political, security-related, economic, environmental and other conditions in the areas where reserves may be located or through which Forza Petroleum's products are transported may increase costs and make it uneconomical to develop reserves.

Planned exploration may involve unprofitable efforts, not only from unsuccessful wells, but also from wells that are productive but do not generate sufficient revenues to return a profit after deduction of expenditures, including the cost of drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage may greatly increase the cost of operations, and field operating conditions, such as insufficient storage or transportation capacity or other geological or mechanical issues, may adversely affect the level of production from productive wells. To the extent that cash flow from operations is insufficient and external sources of capital become limited or unavailable, Forza Petroleum's ability to maintain and expand reserves and resources will be impaired.

Forza Petroleum's exploration, appraisal and development activity is highly capital intensive, placing significant demands on Forza Petroleum's cash resources and funding requirements.

Forza Petroleum's business requires significant capital expenditures for the exploration, appraisal, development and maintenance of its Hawler license area. Deep wells targeting the Triassic reservoirs are estimated to cost $40 million per well. Forza Petroleum also has a significant financing and carry obligation to provide the KRG with an uncapped facility to cover the KRG's share of contractor costs.

There can be a long lead time between the discovery and commercial production of oil. During this long lead time, Forza Petroleum will incur significant costs at a level which may be difficult to predict. Forza Petroleum intends to fund these planned capital expenditures and carry obligations from its cash reserves, operating funds flow and debt and/or equity financing. The ability of Forza Petroleum to arrange debt and/or equity financing in the future will depend in part upon prevailing market conditions, as well as the business performance of Forza Petroleum. As a junior producer, it is difficult to assess Forza Petroleum's expected future performance. There can also be no assurance that debt or equity financing or cash generated from operating activities will be available or sufficient to meet these capital expenditure requirements, carry obligations or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Forza Petroleum. Forza Petroleum's ability to arrange future financing, and the cost of financing generally, depends on many factors, including economic and capital markets conditions generally, investor confidence in the oil industry and in particular in Iraq, the business performance of Forza Petroleum, the composition and quality of Forza Petroleum's balance sheet, and regulatory and political developments. Failure to obtain required financing on a timely basis or at all could cause Forza Petroleum to delay the exploration, appraisal and development of license areas that may otherwise be capable of producing revenue, forfeit its interest in properties, miss acquisition opportunities, remain a single asset business, and reduce or cease its operations. Transactions financed partially or wholly with debt may increase Forza Petroleum's debt levels above industry norms. If additional financing is raised through the issuance of shares from treasury of Forza Petroleum, shareholders will suffer dilution. There can be no assurance that Forza Petroleum will generate sufficient cash from its operating activities to fund future exploration, appraisal and drilling programs.

Forza Petroleum has relied on financial and other support from its largest shareholders and there is no assurance that they will support Forza Petroleum, financially or otherwise, in the future.

Since incorporation, Forza Petroleum has been substantially dependent on its largest shareholders for financing. There is no assurance that the Corporation's largest shareholders will continue to support Forza Petroleum in the future, including by participating in future financings undertaken by Forza Petroleum or providing guarantees in support of Forza Petroleum's obligations under the terms of its title and operating documents and in connection with future acquisitions of license areas. Shareholders should not rely on the historical support of the largest shareholders or any present equity holdings in Forza Petroleum as an indication or guarantee of future support of, or equity holdings in, Forza Petroleum.

Forza Petroleum carries a substantial amount of non-current liabilities.

Forza Petroleum's undiscounted non-current liabilities as at December 31, 2021 primarily consist of \$76.2 million of principal and accrued interest owed under the purchase consideration obligation to the vendor of the Hawler license area. The full balance is due not before March 31, 2023. The Corporation has, in the past, mitigated against the full balance owed to the vendor of the Hawler license area from becoming due and payable as a lump sum by negotiating amendments to the original purchase agreement to schedule payment of the balance over several years. These earlier amendments have expired and no such extended schedule of payments currently exists. The Corporation expects to seek to negotiate an extended schedule of payments similar to those obtained under past amendments.

The above liability could limit Forza Petroleum's ability to access equity funding or to borrow funds, and adversely affect the trading price of the Common Shares. Further, if the Corporation is unable to secure a suitable scheduling of payments for the purchase consideration obligation, and if it is not then able to settle the amount due on March 31, 2023, that could result in an event of default under the applicable agreements and a Material Adverse Effect.

The success of Forza Petroleum's management and directors with previous issuers is no guarantee of future success for Forza Petroleum.

The historical achievements and success of issuers that management and directors of Forza Petroleum previously worked for are not indicative of, and are no guarantee of, the future success of Forza Petroleum. In particular, issuers with which management and directors of Forza Petroleum achieved success may be different in many respects from Forza Petroleum with respect to, among other things, the level of political, economic and geological risk, location of license areas, stage of development and amount of oil reserves and resources.

Forza Petroleum may not be able to effectively manage its current operations and the expansion of its operations.

Forza Petroleum is a junior oil producer and its ability to manage its existing business and its future growth depend upon several factors, including its continuing ability to:

- manage increased exploration, development and production activity after retrenching to a core team of staff successively in 2015, 2016 and most recently in 2020, in light of depressed oil market conditions;
- recruit, train and retain qualified personnel to manage and operate its business;
- accurately identify and evaluate the contractual, financial, regulatory, environmental and other obligations and liabilities associated with its operations;
- maintain financial oversight and internal financial risk and other controls and procedures over its assets, and to ensure the timely preparation of financial statements that are in conformity with Forza Petroleum's accounting and control policies;
- effectively identify, assess and manage risks and relationships in the jurisdiction in which Forza Petroleum has assets;
- effectively maintain internal controls and procedures for compliance and monitoring of projects in accordance with Forza Petroleum's Code of Conduct;
- evaluate market dynamics, growth potential and competitive environments so as to effectively source and realize opportunities;
- identify and access sufficient sources of capital to fund appraisal and development of its license area when operating funds flow is insufficient; and
- maintain and obtain necessary permits, licenses and approvals from governmental and regulatory authorities and agencies.

Forza Petroleum's internal controls and procedures may not be sufficient to provide reliable financial reports, prevent fraud and ensure compliance with its anti-bribery and anti-corruption requirements.

Effective internal controls are necessary for Forza Petroleum to provide reliable financial reports, make timely disclosure of material information and help prevent fraud. Although Forza Petroleum has undertaken a number of procedures in order to provide assurances as to the reliability of its financial reports and ability to comply with timely disclosure requirements, including those required under Canadian securities laws, Forza Petroleum cannot be certain that such measures will ensure that Forza Petroleum will maintain adequate control over financial processes and reporting or enable it to prevent fraud and ensure compliance with anti-bribery and anti-corruption requirements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Forza Petroleum's results of operations or cause it to fail to meet its reporting obligations. If Forza Petroleum or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in Forza Petroleum's consolidated financial statements and adversely affect the trading price of the Common Shares.

Applicable anti-bribery and anti-corruption laws prohibit companies and their intermediaries from making improper payments to government officials or other persons for the purpose of obtaining or retaining business. Recent years have seen a substantial increase in anti-bribery and anti-corruption law enforcement activity, with more frequent and aggressive investigations and enforcement proceedings by regulators, and increases in criminal and civil proceedings brought against companies and individuals. While Forza Petroleum's policies mandate compliance with these anti-bribery and anti-corruption laws, the Corporation operates in a jurisdiction that is recognized as having elevated governmental and commercial corruption levels and in certain circumstances, strict compliance with anti-bribery and anti-corruption laws may conflict with local customs and practices. Forza Petroleum's ability to comply with anti-bribery and anti-corruption laws is dependent on the success of its ongoing compliance program, including its ability to continue to manage its agents and business partners, and supervise, train and retain competent employees. Forza Petroleum cannot guarantee that its internal controls will always protect it from reckless or criminal acts committed by its employees or third party intermediaries. In the event that the Corporation believes or has reason to believe that its employees or agents have or may have violated applicable anti-bribery and anti-corruption laws, Forza Petroleum may be required to investigate or have outside counsel investigate the relevant facts and circumstances, which can be expensive and require significant time and attention from senior management. Violations of these laws may result in significant criminal or civil sanctions, which could disrupt the Corporation's business and result in a Material Adverse Effect.

Risks Relating to the Countries in which Forza Petroleum Conducts its Business or Intends to Conduct its Business

Iraq

The Iraqi Ministry of Oil has historically disputed the validity of PSCs entered into with the KRG; Forza Petroleum cannot be certain that it has valid and enforceable title to its Hawler license area in the Kurdistan Region.

Forza Petroleum has interests in a license in the Kurdistan Region pursuant to a PSC with the KRG. Although management believes that Forza Petroleum has good title to the Hawler license area and the rights to explore for and produce oil from the license area, the Iraqi Ministry of Oil has historically disputed the validity of the KRG's PSCs. In the past, the Iraqi Ministry of Oil has delivered notices to operators of licenses in the Kurdistan Region challenging the enforceability of contracts entered into with the KRG without the approval of the Iraqi Federal Government. More recently, on February 15, 2022, the Iraqi Federal Supreme Court ruled unconstitutional the KRG Law No. 28 of 2007, which regulates the oil and gas sector in the Kurdistan Region of Iraq. The Court's judgment also provides that the Iraqi Ministry of Oil may pursue the annulment of PSCs that have been entered by the KRG. As a result, the right and title of Forza Petroleum to its Hawler license area in the Kurdistan Region is uncertain and may be invalid if the Iraqi Federal Government successfully intervenes, which would have a Material Adverse Effect.

Although the Iraqi Federal Government has introduced several bills since 2007 to federally regulate the Iraqi oil and gas industry, none has yet been enacted into law. The timing, content and validity of any laws that may be enacted by the Iraqi Federal Government to regulate the Iraqi oil and gas industry remain unclear. The jurisdictional dispute between the Iraqi Federal Government and the KRG over awarding interests in oil assets may also lead to competing claims by contractors that have entered into licenses with different authorities covering overlapping areas. Negotiations between the Kurdistan Region and the Iraqi Federal Government to resolve open disputes between the two levels of government, including those that were the subject of the recent judgment of the Iraqi Federal Supreme Court, may impact PSCs entered into by the KRG and/or the management of the oil and gas industry in the Kurdistan Region. There is no certainty regarding what concessions may be requested of, or by, the KRG in the course of negotiations.

In light of the background described above, and in spite of management's belief that Forza Petroleum has good title to its Hawler license area, there can be no assurance that the Iraqi Ministry of Oil will not attempt to annul the PSCs entered into by the KRG or that the Iraqi Ministry of Oil and the KRG will not agree, as part of negotiations on any new oil and gas law or broader questions regarding regional independence and sovereignty, on contractor entitlements which are different (and possibly materially less favourable) than those set out in the PSCs. For example, contracts awarded by the Iraqi Federal Government to international oil companies in southern Iraq are service contracts, rather than PSCs, with compensation being paid to those companies on a fee per barrel basis. If any such challenges are successful or existing contractor entitlements are changed, this could have a Material Adverse Effect. In the event that the Iraqi Federal Government successfully annuls the PSCs, this could have a Material Adverse Effect, including potentially that the title to Forza Petroleum's assets could be treated as invalid without a judicial recourse for Forza Petroleum.

In addition, there can be no assurance that the Iraqi Federal Government or the governments of other countries will recognize or continue to recognize the KRG and/or its jurisdiction over the oil and gas sector in the Kurdistan Region. Any such non-recognition of the KRG's jurisdiction could have a Material Adverse Effect, which could involve the inability to sell oil produced from the Hawler license area.

Forza Petroleum's title documents in Iraq are governed under English law, and Forza Petroleum may not be able to enforce foreign judgments and arbitral awards in Iraq.

The material agreements between Forza Petroleum and the applicable Iraqi counterparties as they relate to the assets of Forza Petroleum in Iraq are governed by English Law and provide for exclusive arbitration between the parties under the London Court of International Arbitration in London. The courts in Iraq do not have jurisdiction to adjudicate all claims arising out of contracts governed by English Law or that provide for international arbitration between the parties under the London Court of International Arbitration. Accordingly, in order to seek a remedy, Forza Petroleum would need to first obtain a judgment in London and thereafter may need to enforce such judgment in Iraq or elsewhere. Although Iraq has recently acceded to the United Nations New York Convention on Recognition and Enforcement of Foreign Arbitral Awards of 1958, there could be a transition period where obtaining enforcement in Iraq remains challenging and it is not certain that courts in the Kurdistan Region of Iraq will acknowledge the Iraqi Federal Government's accession to the convention as binding their jurisdiction. While management of Forza Petroleum believes that: (i) the KRG recognizes that it is contractually bound under the Hawler PSC; and (ii) the Kurdistan Region Oil and Gas Law specifically provides for international arbitration as the dispute resolution mechanism, Forza Petroleum may not be able to enforce foreign judgments obtained with respect to its title documents governed by English law in the Kurdistan Region. The failure of Forza Petroleum to obtain recognition of foreign court judgments or international arbitration awards in Iraq could have a Material Adverse Effect.

Portions of the geographic area over which the Kurdistan Region asserts jurisdiction are the subject of a boundary dispute with the Iraqi Federal Government and the Hawler license area is proximate to or partially located within the disputed boundaries.

Although the Kurdistan Region is recognized by the Iraqi Constitution as a region, its geographical extent is neither defined in the Iraqi Constitution nor agreed in practice between the KRG and the Iraqi Federal Government. In particular, the KRG asserts jurisdiction over certain areas of the provinces of Diyala, Kirkuk, Salah ad Din and Ninewa. These areas are commonly known as the "**disputed territories**" and were subject to attempts by the Baath Party regime to alter their demographic character, including by forced expulsions of non-Arab minorities and the settlement of Arab tribes in their place. The city of Kirkuk, which is home to Kurds, Arabs, Turkmen and Assyrians and sits on one of Iraq's biggest oil fields, is part of the disputed territories. Occasionally, tensions have led to clashes between the Iraqi army and the Kurdistan Region's Peshmerga. As a result of the advance of ISIS militants in 2014, the Iraqi army was displaced from the region. The Peshmerga defended the city of Kirkuk and much of the disputed territories against the threat of ISIS between 2014 and the substantial defeat of ISIS in Iraq in 2017. Following the independence referendum held by the Kurdistan Region on September 25, 2017, the Iraqi Federal Government successfully reasserted control over a great portion of the disputed territories, including the province of Kirkuk in particular.

According to the Iraqi Constitution, a referendum was to have been held in Kirkuk and other disputed territories by the end of 2007 in order to determine the administrative status of such areas. The Iraqi Constitution does not, however, define or otherwise describe the disputed territories and there is therefore potential for dispute as to the extent of the territories to which any such referendum should relate. The Iraqi Federal Government has postponed the referendum several times from its original date in 2007, citing that it could create further instability within Iraq. The timing of the referendum continues to be uncertain, especially given events in the Kurdistan Region in recent years and a referendum on independence that has not be recognized by the Iraqi Federal Government or other governments.

Tensions between the KRG and the Iraqi Federal Government over boundaries, the 2017 Kurdistan Region independence referendum, and changes in the personnel of the KRG or the Iraqi Federal Government cabinet may result in a change in the political outlook of the KRG or the Iraqi Federal Government, which could lead to legal and regulatory changes which could have a Material Adverse Effect.

A return to or escalation of hostilities between the Iraqi Federal Government and the KRG could have a Material Adverse Effect.

Parts of the Hawler license area may be located within the boundaries historically disputed by the KRG and the Iraqi Federal Government. An escalation of hostilities in or proximate to the disputed boundaries could have a Material Adverse Effect. If the disputed boundaries are settled in a manner adverse to the KRG or if the KRG ceases to control or provide security in the area this could have a Material Adverse Effect.

The delineation of powers under the Iraqi Constitution is uncertain and the Iraqi Federal Government and the KRG have different interpretations and may enact conflicting laws.

Federalism and the autonomy of regions and provinces in Iraq are matters of significant uncertainty and discord among the various political factions and levels of government in Iraq. The Iraqi Constitution contains ambiguous provisions relating to, among other subject matter, jurisdiction over oil and gas matters. Although the Iraqi Federal Supreme Court has recently ruled unconstitutional the KRG Law No. 28 of 2007, which regulates the oil and gas sector in the Kurdistan Region of Iraq, the Court's interpretation of the law has been rejected by many Iraqi actors, including the KRG, and the constitutionality of the court itself has been challenged. The Iraqi Constitution states that power over certain listed matters is exclusively reserved to the Iraqi Federal Government (to the exclusion of Iraqi Regional Governments and Iraqi Provincial Governments) and power over other listed matters is shared between the Iraqi Federal Government and the Iraqi Regional Governments and the Iraqi Provincial Governments. Power over any matter not listed as either exclusively reserved or shared by the Iraqi Federal Government and Iraqi Regional Governments and Iraqi Provincial Governments is reserved to the Iraqi Regional Governments and the Iraqi Provincial Governments. If there is a conflict between Iraqi federal laws and regional and provincial laws, including those of the Kurdistan Region, there can be no assurance that Forza Petroleum will be able to rely upon its compliance with those regional laws in the future.

If the Iraqi Federal Supreme Court's judgment is not altered or superseded by negotiations between the KRG and the Iraqi Federal Government or legislation at the federal level, substantial regional instability may ensue and Forza Petroleum's business activities in the Kurdistan Region and the validity of Forza Petroleum's PSC for the Hawler license area could be terminated, which would have a Material Adverse Effect. Application of Iraqi federal laws or action by the Iraqi Federal Government since the judgment of the Iraqi Federal Supreme Court, could increase the cost of, obstruct or delay Forza Petroleum's operations in the Kurdistan Region.

There is a risk that proposed or future laws and actions of the Iraqi Federal Government could materially and adversely affect the validity, effectiveness and enforcement of PSCs in the Kurdistan Region. Accordingly, the provisions of any future laws enacted in relation to oil and gas operations in the Kurdistan Region by the Iraqi Federal Government could have a Material Adverse Effect.

From time to time, payments to oil contractors for oil exports from the Kurdistan Region have been restricted or delayed as a result of financial or other constraints, including those resulting from disputes between the Iraqi Federal Government and the KRG.

One of the consequences of the disagreement between the Iraqi Federal Government and the KRG about the ability of the KRG to regulate its regional oil and gas industry has been the Iraqi Federal Government's withholding of partial or full federal budget payments to the KRG for oil exported from the Kurdistan Region.

The Iraqi Federal Government has historically disputed the assertion of the KRG that it is able to lawfully export oil outside of the Iraqi State Oil Marketing Organization and has periodically sought to restrict such exports through diplomatic pressure and a series of legal proceedings around the world. In 2014, the Iraqi Federal Government withheld budget payments to the KRG, prejudicing the KRG's ability to fund government services and remit proceeds from export sales to producing oil contractors in the Kurdistan Region.

In November 2014, an interim agreement was reached by the Iraqi Federal Government and the KRG to address the dispute over oil exports. The agreement, finalized in December 2014, required the delivery of defined quantities of oil by the KRG to the Iraqi Federal Government, financial support for the Peshmerga and a normalization of budget payments. Each of the Iraqi Federal Government and the KRG subsequently alleged that the other had failed to meet their obligations under the agreement. Such failures and subsequent disagreements have negatively affected the finances of the KRG and, at times, its ability to remit full proceeds from export sales to producing oil contractors in the Kurdistan Region. While the KRG has generally made cash payments to producers consistently since September 2015, a series of geo-political and economic events in late 2019 and early 2020 led to lengthened delays in receipt by Forza Petroleum of proceeds from sales.

For oil sales up until and including July 2019, Forza Petroleum had been receiving payment approximately three months after the month during which oil was delivered. Accordingly, the payment in respect of oil sales invoiced for July 2019 was received in October 2019. However, there were then increasing delays in receiving payment for oil sales made from August 2019 onwards. Payment of August and September 2019 invoices were received in January and February 2020, respectively.

As provided in a communication from the office of the Prime Minister of the KRG in late March 2020, the October 2019 oil sales invoice was settled in April 2020. The Prime Minister's communication also proposed that settlement of past due receivables in respect of oil sales made between November 2019 and February 2020 would be deferred for at least nine months and would not attract interest. Subsequently, and with the benefit of increasing oil prices in 2021, the receivables balance for oil sales made between November 2019 and February 2020 was finally settled in full during 2021.

Although the KRG had started making payments against current invoices within a month during this period, the delay in payment of invoices has again increased over the course of recent months with the payment for oil sales made in November 2021 received approximately three months after the month during which oil was delivered.

Payments owing by the KRG to Forza Petroleum for exported oil could be further delayed or restricted in the future if the financial position of the KRG deteriorates including because of weakening crude oil sale prices, the COVID-19 virus or failure to reach agreement with the Iraqi Federal Government regarding the Kurdistan Region's share of federal funds. Payments could also be prejudiced if the Iraqi Federal Government were to assume control over sales of oil from the Kurdistan Region, as contemplated in the recent judgment of the Iraqi Federal Supreme Court. There is no assurance that oil production will continue to be converted into a reliable revenue stream or that full value will be realized. If Forza Petroleum is not paid for exported oil, is paid less than its expected entitlement, or if payment is not made in a timely manner this could have a Material Adverse Effect.

Political, social, ethnic, religious and economic instability in the Kurdistan Region and the provinces of Iraq could have a Material Adverse Effect.

The Kurdistan Region and Iraq have a history of political and social instability, which have culminated in security problems that may materially and adversely affect Forza Petroleum, its operations and personnel. Consequently, Forza Petroleum's business, financial condition, results of operations and prospects may be materially and adversely affected by political, social and economic instability, economic or other sanctions imposed by other countries or regions, terrorism, civil wars, border disputes, guerrilla activities, military repression, civil disorder, crime, fluctuations in currency exchange rates and high inflation. In particular, between 2014 and 2017, activity by ISIS militants in northern Iraq, including near Hawler, adversely affected the ability of the Corporation to fully execute its appraisal and development plans and led to periodic interruptions to operations altogether. Indirectly, the conflict with ISIS has periodically impacted the regional market for oil. Following attacks on the Kurdistan Oil Export Pipeline near Urfa in Turkey in mid-February 2016, crude oil exports from the Kurdistan Region were temporarily interrupted, restarting during March 2016. Attacks by discrete cells of ISIS in the Kurdistan Region continue to this day. Recently, Iran's Revolutionary Guards claimed responsibility for a March 2022 ballistic missile attack in Erbil.

There can be no assurance that Forza Petroleum will be able to obtain or maintain effective security arrangements for any of its assets or personnel in the Kurdistan Region, where terrorism, hostilities and insurgent activities have disrupted business activities in the past and may affect Forza Petroleum's operations or plans in the future. There can also be no assurances that the KRG and the Iraqi Federal Government will be able to maintain peace, order, stability and security. If Forza Petroleum is unable to maintain effective security over its assets or personnel, this could have a Material Adverse Effect.

Forza Petroleum conducts operations in the Kurdistan Region, an area with significant security risks.

Iraq is considered to be one of the most mine-strewn nations in the world. It was estimated in 2011 that there were 20 million mines in the ground in Iraq. Historically, Iraq utilized minefields to protect its borders during the lengthy war with Iran (1980 through 1988), attempt to ward off invasion during the Gulf War (1990 through 1991) and subdue the Kurdish population in northern Iraq. During the war with Iran, Iraqi soldiers gained experience in the use of booby traps and improvised explosive devices and, during the Gulf War, coalition forces encountered significant numbers of booby traps and improvised explosive devices. As a result of ISIS militant activity, predominately between 2014 and 2017, there have been incidents of booby traps and improvised explosive devices along the border of the Kurdistan Region.

In its operations Forza Petroleum has encountered and will in the future need to manage known and unknown unexploded and exploded ordinances, including bombs, grenades, improvised explosive devices, shells, rockets, and other explosive devices, including those placed as mines or those that have fallen as projectiles and which may be buried or camouflaged. The detection and removal of such ordinances or the failure to properly detect and remove such ordinances or the explosion of such ordinances could have a Material Adverse Effect.

There can be no assurances that the Iraqi Federal Government can itself provide the necessary degree of peace, order, stability and security without foreign military assistance. Insurgents in Iraq, which may include ISIS militants and followers, each year conduct coordinated attacks against the Iraqi Federal Government and civilians, killing hundreds and injuring thousands of people in Baghdad and elsewhere in Iraq. These attacks have included the indiscriminate targeting of public areas.

Since 1984, there have been repeated clashes between the Turkish military and the Kurdistan Workers' Party ("**PKK**"), an organization which is listed as a terrorist organization by, among others, Turkey, the European Union and the United States and members of which have often taken refuge in the mountainous regions of the Kurdistan Region. In August 2011, following clashes between PKK members and the Turkish military that resulted in the death of 40 Turkish soldiers, the government of Turkey authorized Turkey's military to make incursions into northern parts of Iraq (including the Kurdistan Region) to carry out cross border assaults against the PKK. In October 2011, according to Turkish government officials, about 100 fighters from the PKK mounted simultaneous attacks on seven remote army outposts in Hakkari province, on Turkey's southeastern border with Iraq, killing 24 Turkish soldiers and wounding 18. On the next day, the Turkish military deployed troops into southeastern Turkey and northern Iraq from land and air, killing at least 15 Kurdish militants. Although Turkey and the PKK maintained a ceasefire between 2013 and 2015, tensions between the PKK and Turkey have escalated since and involve an unknown number of Turkish soldiers deployed in northern Iraq. Violent clashes between the PKK and Turkey, which occasionally involves Turkish fighter jets targeting PKK positions in KRG territory, may adversely affect Forza Petroleum's access to and ability to develop the Hawler license area.

During 2020 and early 2021, tensions between the United States and Iran involved exchanges of missiles which have, on occasion, impacted public areas. Iran appears to have also been involved with a March 2022 ballistic missile attack in Erbil. Increasing military engagement by Iran could have a Material Adverse Effect as a result of damage to the Corporation's facilities and equipment or harm to personnel.

There is no assurance that the Kurdistan Region will not be impacted by the actions of ISIS in Iraq.

Although the Iraqi Federal Government declared ISIS defeated at the end of 2017, there can be no assurances that all ISIS militants have left the region or been killed, or that ISIS sympathizers will not take action to advance the objectives of ISIS. Attacks by discrete cells of ISIS in the Kurdistan Region continue to this day. If ISIS militants or sympathisers were to engage in attacks, or as a result of military engagement of ISIS by the Peshmerga, the Iraqi army and/or international forces, the Corporation's appraisal, development and production activities on the Hawler license area could be materially and adversely affected. Moreover, the conflict with ISIS could prevent access to transportation infrastructure, including the Kurdistan Oil Export Pipeline, thereby limiting the ability of the Corporation to earn revenue for its oil production. Any damage to the Corporation's facilities and equipment on the Hawler license area could have a Material Adverse Effect.

The Kurdistan Region and Iraq have less-developed legal systems.

The Kurdistan Region and Iraq generally have less-developed legal systems than those of more established economies. This may, among other things:

- make it difficult to predict how existing laws, regulations and contractual obligations will be interpreted, applied and enforced;
- result in abrupt and unpredictable changes to laws or reversals in their application, interpretation and enforcement;
- make it more difficult or impossible to obtain effective legal redress in the courts, whether in respect of a breach of law or regulation or in respect of a title or contract dispute;
- make it more difficult or impossible to enforce international arbitral awards;
- result in a higher degree of discretion and/or corruption on the part of the governmental and judicial authorities;
- result in a lack of judicial or administrative guidance on interpreting laws and regulations;
- give rise to inconsistencies or conflicts among various laws, regulations, decrees, orders, resolutions and judgments; and
- entail dealing with a relatively inexperienced judiciary and courts system.

The enforcement of laws, regulations and legal contractual obligations in the Kurdistan Region and Iraq generally will depend on the interpretation of such laws, regulations and obligations by the relevant authorities, and those authorities may adopt differing interpretations or may adopt interpretations that differ from those of Forza Petroleum and its legal counsel. Even if the Corporation is successful in arguing its interpretation and obtaining judgment in its favour, it may not be possible to enforce such judgment against the assets of the KRG or other local counterparty or defendant, as applicable. As a result, there can be no assurance that Forza Petroleum's existing or future contracts, licenses, other legal arrangements, license applications and other legal applications will not be adversely affected by the actions or interpretations of government authorities or the judiciary and the effectiveness, extent and enforcement of Forza Petroleum's legal rights and obligations in the Kurdistan Region and Iraq generally cannot currently be determined with certainty. It is also uncertain whether any arbitral award under the Hawler PSC would be recognized and enforced in the Kurdistan Region. Any inability of Forza Petroleum to enforce its legal rights in the Kurdistan Region due to the above or any similar factors could have a Material Adverse Effect.

The uncertainty of the tax system in Iraq may adversely impact the taxation of Forza Petroleum, reducing net returns to shareholders.

The tax system in Iraq is uncertain and may be subject to change, particularly in relation to the oil and gas sector. Taxation of the operating activities of Forza Petroleum in the Kurdistan Region, pursuant to the Kurdistan Region Oil and Gas Law, is governed by general Kurdistan Region tax law and the terms of the PSC for the Hawler license area. However, as described further above, it is possible that the terms of the PSC may be invalidated or otherwise may not be enforceable in the Kurdistan Region. It is also possible that the arrangements under the PSC may be overridden or adversely affected by the enactment of any future oil and gas or tax law in Iraq or the Kurdistan Region, or in connection with the recent judgment of the Iraqi Federal Supreme Court. In any such case, this could have a Material Adverse Effect.

<u>General</u>

Forza Petroleum operates in a region that is generally subject to a higher degree of political, social and economic risk than more developed countries and regions.

The operations of Forza Petroleum in the Kurdistan Region expose Forza Petroleum to a wide range of political, social, economic, regulatory and tax environments that are subject to significant and sometimes unpredictable and rapid change and risks that could have a Material Adverse Effect. Forza Petroleum's business involves a high degree of risk that even a combination of experience, knowledge and careful evaluation may not overcome. Generally, companies like Forza Petroleum that conduct business in high risk developing markets are suitable only for experienced shareholders who fully appreciate the significance of the risks involved and can afford a complete loss of their investment.

Forza Petroleum conducts business where it is exposed to a greater-than-average risk of adverse sovereign action, uncertainty as to title and where oil and gas assets are considered to be strategic resources of national importance. Exploration and development activities in such locations often require protracted negotiations with host governments, national oil companies and third parties and may be subject to economic and political and other risks such as:

- the risks of war, actions by terrorist or insurgent groups and community disturbances;
- renegotiation, change or nullification of existing contracts or royalty rates;
- mandatory directions regarding how and on what terms oil sales may be completed;
- changing laws, regulations, taxation policies or interpretations;
- unenforceability of contractual rights;
- foreign exchange fluctuations and restrictions and local currency devaluation and currency controls;
- inflation;
- changing political conditions and governments;
- freezing of funds and economic resources;
- unlawfully withholding the payment of proceeds from oil sales;
- import and export restrictions;
- sanctions, trade barriers and other protectionist or retaliatory measures;
- loss of title to assets or the inability to export oil or to receive payment for exported oil;
- foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, the local jurisdiction;
- expectations of contributions to local infrastructure development and basic needs facilities; and
- expropriation and nationalization.

Federal governments in some countries may decide not to recognize previous arrangements or other arrangements with regional, provincial or local governments if they regard them as not being in the national interest or not being in the interest of the relevant governing body. Governments may also implement export controls on commodities regarded by them as being strategic (such as oil) or place restrictions on foreign ownership or operation of strategic assets. Governments may impose new taxes on Forza Petroleum's operations, the sale of assets by Forza Petroleum or the sale of Forza Petroleum itself. Any of these or similar factors could have a Material Adverse Effect. If a dispute arises in connection with foreign operations, Forza Petroleum may be subject to the exclusive jurisdiction of foreign courts or foreign arbitration tribunals or may not be successful in subjecting foreign persons, especially foreign oil ministries and national oil companies, to the jurisdiction of Canadian or English laws and courts.

Forza Petroleum's operations may be affected by political and social instability in Iraq. In particular, civil unrest may pose a threat to the operations of Forza Petroleum and its personnel and any intensification in the level of civil unrest may have a Material Adverse Effect. In addition to those listed above, the potential risks related to political and social instability, among other things, include:

- the risk of elevated incidence of governmental and business corruption and other criminal activity;
- the risks of war, actions by terrorist or insurgent groups, guerrilla activities, military repression, civil disorder and crime;
- community disturbances, including protests and other activity resulting from financial distress and government's inability to pay wages or benefits, or attempts to influence Forza Petroleum operations or the award of contracts;
- death or incapacitation of political leaders or change in the ruling party;
- economic or other sanctions imposed by other countries or international bodies; and
- workforce instability.

The economy of Iraq does not compare favourably with those of more developed countries with respect to such matters as gross national product, reinvestment of capital, inflation, economic resources and balance of payments position. Its economy relies heavily on particular industries, such as the exploration and production of oil and gas, and foreign capital and may be more vulnerable to diplomatic developments, the imposition of economic sanctions, changes in international trading patterns, trade barriers and other protectionist or retaliatory measures. Any of these actions could severely affect security or prices, impair the ability of Forza Petroleum to transfer the assets or income of Forza Petroleum, or otherwise adversely affect the operations of Forza Petroleum. Forza Petroleum may also be affected by economic and fiscal instability. Economic and financial unreliability may expose Forza Petroleum to the following risks:

- governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction;
- economic or other sanctions imposed by other countries or international bodies;
- changing taxation policies, rulings or interpretations (including new or increased taxes or royalty rates or implementation of a windfall tax);
- extreme fluctuations in currency exchange rates or high inflation;

- foreign exchange restrictions or currency controls;
- prohibition or substantial restrictions on foreign investment in capital markets or in certain industries; and
- local currency devaluation, as demonstrated in December 2020 by Iraq devaluing its dinar by about 20% against the U.S. dollar.

The political, social and economic risks associated with operating in developing regions and countries could affect Forza Petroleum's ability to manage or retain interests in its assets and conduct its business and could have a Material Adverse Effect.

Forza Petroleum's title to its license area may be challenged or defective.

There may be title defects which affect the PSC, license agreements or other similar legal documents relating to Forza Petroleum's license area. Unforeseen defects in title, changes in laws or their interpretation that have the effect of defeating or impairing Forza Petroleum's title to its license area, or delay in the recognition of Forza Petroleum's title to its license area could have a Material Adverse Effect. Most recently, on February 15, 2022, the Iraqi Federal Supreme Court ruled unconstitutional the KRG Law No. 28 of 2007, which regulates the oil and gas sector in the Kurdistan Region of Iraq. The Court's judgment also provides that the Iraqi Ministry of Oil may pursue the annulment of PSCs that have been entered by the KRG. The Corporation continues to assess the potential impact of the Court's judgment on the Hawler license area and related operations.

Forza Petroleum faces uncertainty regarding interpretation and application of foreign laws and regulations.

Forza Petroleum's exploration and development activities are located in a country with a developing and/or uncertain or conflicting legal system. Rules, regulations and legal principles may differ relating to similar matters of substantive law and court procedure and enforcement. Forza Petroleum's exploration and production rights and related contracts are subject to the national or local laws and jurisdiction of the country in which Forza Petroleum conducts business and national, regional or local laws may differ and sometimes conflict. As a result, Forza Petroleum's ability to exercise or enforce its rights and obligations may differ from those prevailing in Canada. For example, as described above and notwithstanding the recent judgment of the Iraqi Federal Supreme Court, there remains substantial uncertainty regarding the delineation under the Iraqi Constitution of jurisdiction between the Iraqi Federal Government and the KRG over the oil and gas industry in the Kurdistan Region.

Moreover, the jurisdictions in which the Corporation and its subsidiaries operate may have less developed legal systems than more established economies, which may result in risks such as:

- uncertainty regarding the constitutionality, validity or enforceability of laws and regulations, particularly where those rules and regulations are the result of recent legislative changes or have been recently adopted or there is a conflict between various levels of government within a country and its regions;
- inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions and judgments;
- the lack of judicial or administrative guidance on interpreting applicable rules and regulations, particularly where those rules and regulations are the result of recent legislative changes or have been recently adopted;

- provisions in laws and regulations that are ambiguously worded or lack specificity and thereby create difficulties when implemented or interpreted;

- provisions in laws and regulations that conflict with or attempt to unilaterally alter the terms of PSCs, license agreements or other similar legal documents relating to Forza Petroleum's license areas;

- effective legal redress in the courts of such jurisdictions being more difficult to obtain, whether in respect of a breach of law or regulation or in respect of a title or contract dispute;

- a higher degree of discretion on the part of governmental authorities;

- courts being used to further political aims;

- relative inexperience of the judiciary and courts in such matters or an overly formalistic judiciary; and

- corruption within the judiciary.

The enforcement of laws in the jurisdiction in which Forza Petroleum operates will depend on and be subject to the interpretation placed upon such laws by the relevant local authority, and that interpretation may differ from the interpretation of Forza Petroleum and its counsel. There can be no assurance that Forza Petroleum's contracts, licenses, license applications or other legal arrangements will not be adversely affected by the actions and interpretations of the government authorities and judiciaries where Forza Petroleum conducts its business and the effectiveness of and enforcement of Forza Petroleum's legal and contractual rights in those jurisdictions. Effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law, regulation or contract or in an ownership dispute, may be more difficult to obtain.

In general, if Forza Petroleum becomes involved in legal disputes in order to defend or enforce any of its rights or obligations, such disputes or related litigation may be costly and time consuming and the outcome may be highly uncertain and could have a Material Adverse Effect. Even if Forza Petroleum would ultimately prevail, such disputes and litigation may still have a substantially negative effect on Forza Petroleum and its operations.

Governmental policies currently favouring foreign investment in the oil and gas sector may change.

Forza Petroleum currently conducts business in a jurisdiction, the KRI, where the government has generally maintained policies that favour investments by foreign companies in its oil and gas sector. However, factors such as changes in administrations, concerns regarding climate change, increased nationalist sentiment and pressure to preserve more development opportunities for local enterprises, may result in a shift towards less favourable policies by those jurisdictions towards foreign investment, which could have a Material Adverse Effect.

Forza Petroleum's operations may be adversely affected by a variety of hostile actions.

Oil and gas companies operating in the region where Forza Petroleum carries on business may be targets of criminal, terrorist or pirate actions, hostage taking and other forms of hostilities, any of which could have a Material Adverse Effect. In addition, the possible threat of these types of incidents could negatively impact the ability of Forza Petroleum to adequately staff its operations or could substantially increase the costs of doing so.

There are a variety of surface condition challenges that Forza Petroleum confronts in the jurisdiction where it conducts business, Kurdistan Region, including minefields and unexploded ordinances and access issues, risk of injury to personnel or damage to facilities or equipment resulting from terrorism-related activity, local community-based issues, such as demands for more profit-sharing and opposition to development, and acts of theft or vandalism, such as destroying generators, cutting electricity lines and pipeline sabotage.

An outbreak of hostilities in the Kurdistan Region or in areas surrounding the Kurdistan Region or the occurrence of any of the security-based risks described above could have a Material Adverse Effect.

Failure to effectively manage relationships with local communities, governments and non-governmental organizations could adversely affect Forza Petroleum's operations.

Companies engaged in oil and gas exploration and production are facing increasing public scrutiny of the potential impact that their operations may have on nearby communities and the environment. For example, oil exploration and production activities can create the need, from time to time, to relocate communities or infrastructure networks, such as railways and utility services, and disputes can arise over local claims to land and resource ownership rights. Oil and gas companies are also experiencing increasing government expectations to contribute to the development of infrastructure and basic needs facilities in host countries. Some non-governmental organizations, public interest groups and reporting organizations ("**NGOs**") that oppose globalization and resource development or seek action in response to potential climate change effects are vocal critics of the oil and gas industry. In addition, there have been many instances where local community groups have opposed oil and gas exploration and development activities, which have resulted in disruption and delays to the relevant operations. Forza Petroleum's current operations and those in prospective license areas may be located in or near communities that regard oil exploration and development as detrimental to their environmental, economic or social interests. Opposition from local interest groups could also lead to disputes with national or local governments or with broader local populations and give rise to material reputational damage. NGOs or local community organizations could direct adverse publicity and/or disrupt the operations of Forza Petroleum. A failure by Forza Petroleum to manage relationships with local communities, governments and NGOs so as to avoid or minimize such reactions and resulting negative media coverage could have an adverse effect on the reputation of Forza Petroleum or its relationships with the communities in its license areas, as well as its ability to conduct exploration, appraisal, development and production operations, which could have a Material Adverse Effect.

Forza Petroleum may not be able to attract and retain qualified personnel in the regions where it conducts business.

Forza Petroleum may have difficulty attracting and retaining qualified local personnel to work on its projects due to shortages of qualified workers and competition for their services. It may also be difficult to attract, employ and retain qualified expatriate workers because of legal and political restrictions applying to the use of foreign workers or the socio-economic and security situations in the jurisdiction in which Forza Petroleum operates. In the event of a labour shortage, Forza Petroleum could be forced to increase wages to attract and retain employees, which would result in higher operating costs and reduced profitability. A failure by Forza Petroleum to attract and retain enough qualified workers could have a Material Adverse Effect.

Forza Petroleum operates in regions which may subject it to higher risks associated with complying with laws in respect of economic sanctions.

The U.S. Department of the Treasury's Office of Foreign Assets Control, or OFAC, administers a series of laws that impose economic sanctions against hostile targets to further U.S. foreign policy and national security objectives. Sanctions with similar effect are applied by Canada, the European Union and several other United Nations Member States. These laws apply restrictions on conducting activities, transacting business with or making investments in certain countries, governments, entities and individuals subject to such economic sanctions. The Middle East, including the Kurdistan Region, is a key area of risk where persons and entities operating seemingly reputable business may be on a sanctions list, including in connection with recent sanctions related to the Russian invasion of Ukraine. Accordingly, the activities of Forza Petroleum, its affiliates and counterparties, particularly in the Kurdistan Region, may subject them to elevated levels of scrutiny under applicable sanctions laws. If such activities or transactions, whether or not material, are found to violate applicable sanctions or other trade controls, Forza Petroleum may be subject to potential fines or other sanctions and reputational risk, any of which could have a Material Adverse Effect.

Risks Relating to Forza Petroleum's Operations

Government restrictions and other responses to COVID-19 have restricted operations.

Global pandemic COVID-19 could have a significant impact on Forza Petroleum's ability to operate due to employee absences, disruption in availability of equipment and supplies, information technology system constraints, government restrictions, market volatility, overall economic uncertainty and other factors currently unknown and not anticipated.

Since March 16, 2020, governments in Switzerland and Iraq have periodically restricted all but essential access to the Corporation's offices to limit community transmission of the COVID-19 virus. While most employees have been able to work remotely during these periods and have returned to the office in recent months, such approach adds to the challenges of managing an international oil and gas company.

The Corporation continues to have a high concentration of personnel working and residing near one another at the DDPF to support oil production operations. The Corporation has taken precautions to protect employees and contractors. Such precautions will not completely prevent the Corporation's employees and contractors from contracting the COVID-19 virus. Should an employee or visitor be infected with the COVID-19 virus, this could place the Corporation's workforce and operations at risk. While the Corporation has been successful in maintaining continuous operations throughout the pandemic, there may be factors beyond the control of Forza Petroleum that result in the temporary suspension of or otherwise impede operations.

There can be no assurance that the COVID-19 pandemic and the related impacts and responses will not result in a Material Adverse Effect.

Forza Petroleum relies on key managers and personnel.

Forza Petroleum is highly dependent upon its executive officers and key personnel to implement its business strategy, particularly since staff reductions in 2015, 2016 and 2020 have progressively resulted in a smaller team. The success of exploration, appraisal, development and production activities integral to Forza Petroleum's business will be largely dependent upon the performance of such executive officers and personnel. The reduction or loss of the services of such officers and personnel could have a Material Adverse Effect.

In addition, competition in the oil and gas industry for senior management and personnel with relevant expertise and exposure to international best practices may affect Forza Petroleum's ability to retain its existing executive officers and key personnel and to attract additional qualified personnel. The Corporation's status as a junior oil producer also increases the challenges involved in recruiting and retaining qualified personnel. Forza Petroleum does not maintain key man life insurance on any of its executive officers or key personnel. The unexpected loss of, or the inability to attract and retain, the services of executive officers or key personnel could have a Material Adverse Effect.

Forza Petroleum has no control over whether or not necessary governmental approvals or licenses are granted or renewed or terminated, or the regime to which they are or will be subject, which may limit or delay exploration and development activities.

Forza Petroleum's current operations are, and future operations will be, subject to a range of licenses, consents, permits, regulations and approvals of governmental authorities, including those relating to the exploration, development, operation, production, marketing, pricing, transportation and storage of oil, taxation, environmental, and health and safety matters. Forza Petroleum has no control over whether or not necessary government approvals or licenses (or renewals thereof) are granted, the timing of obtaining (or renewing) such approvals or licenses, the terms on which they are granted or the tax regime applicable to Forza Petroleum or the Hawler license area. Nor can there be any assurance that the licenses and permits held by Forza Petroleum will not expire or be revoked, terminated, suspended or adversely amended if either the Corporation or its partners fails to comply with the terms of such licenses or permits, or in the event of any change of relevant laws or regulations or their interpretation. As a result, Forza Petroleum may have limited or no control over the nature and timing of exploration and development of license areas in which Forza Petroleum has or seeks interests or the manner in which operations are conducted on such license areas and the failure to obtain any such licenses, consents or permits could materially affect the ability of the Corporation to carry out its intended activities. Moreover, as was the case in the Kurdistan Region between 2014 and 2018, risk of militant activity may result in government restrictions on access to license areas or portions of license areas deemed unsafe.

There can be no assurance that the actions of present or future governments in the jurisdictions where Forza Petroleum conducts business, or of governments of other jurisdictions in which Forza Petroleum may operate in the future, will not have a Material Adverse Effect.

Forza Petroleum requires certain registrations in local jurisdictions to carry on its business. Forza Petroleum may not be able to obtain such registrations in a timely manner and therefore Forza Petroleum may not have in place registrations necessary to carry on its business as currently operated or as it intends to operate. If a local government determines that Forza Petroleum is or was not entitled to carry on business in that jurisdiction either at all or at the relevant time or to enter into contracts that grant title as a result of deficiencies pertaining to local administrative requirements, this could have a Material Adverse Effect. Further, Forza Petroleum's exploration, development and appraisal programs involve the need to obtain approvals from the relevant authorities, which may require conditions to be satisfied, the agreement of different levels of government, including the KRG, or the exercise of discretion by authorities. It may not be possible for such conditions to be satisfied in a timely manner or at all, the different levels of government may not come to agreement or discretion may be exercised in a manner adverse to Forza Petroleum.

Forza Petroleum's PSC and other similar or related contracts and permits with governments and government bodies to explore and develop the applicable license areas are subject to specific requirements and obligations, such as minimum work commitments relating to geological studies, obtaining seismic data and drilling exploration or appraisal wells within specified time periods. A failure by Forza Petroleum or its partners to satisfy such requirements and obligations could, under certain circumstances, allow government or government bodies that are counterparties to terminate or suspend the breached PSC or other similar or related contract. The termination or suspension of any such contracts granting Forza Petroleum rights in respect of a license area could have a Material Adverse Effect. In addition, an inability to obtain or renew a PSC or other similar contract or a delay in doing so could have a Material Adverse Effect.

Restrictions on Forza Petroleum's ability to access necessary infrastructure, equipment and services may adversely affect Forza Petroleum's operations.

Emerging markets in which Forza Petroleum operates may have underdeveloped or poorly maintained infrastructure. Forza Petroleum's oil exploration, appraisal, development and production activities are or will be, as the case may be, dependent on the availability and quality of infrastructure, equipment and services, including third-party services in the regions in which it operates.

In the nearer term, any lack of supply of critical infrastructure and equipment required for drilling activity could result in delayed or reduced development of the Hawler license area, which could have a negative effect on Forza Petroleum's prospects. Even in situations where Forza Petroleum has contractually secured drilling rigs, those rigs will usually only be available to Forza Petroleum after the current user has finished its drilling activity. If there are delays in the completion of the other rig user's drilling activity, Forza Petroleum's drilling plans could be delayed. Under the terms of its PSC, Forza Petroleum may have a commitment to drill wells in its license areas within a specified time frame. Forza Petroleum, therefore, risks breaching those commitments and a termination of the applicable PSC if it is delayed in obtaining the rigs needed to comply with its drilling commitments. Shortages or delays in the availability of, or increased costs to procure, drilling rigs, equipment, supplies, personnel or oilfield services could delay or adversely affect Forza Petroleum's production, development and exploration operations, which could have a Material Adverse Effect.

Disruptions in the supply of essential utility services, such as water and electricity, could halt or impede Forza Petroleum's operations. Also, access to transportation infrastructure, such as pipelines and port access, will be critical to distributing oil production by Forza Petroleum and the unavailability of, or disruptions to, access to required infrastructure could negatively affect Forza Petroleum's operations. In particular, access to the Kurdistan Oil Export Pipeline may be restricted as a result of activity by or related to ISIS militants, internal instability and violence in Turkey or disputes between the Iraqi Federal Government and the KRG regarding exports.

Forza Petroleum's operations are subject to change of control obligations under its PSC.

Forza Petroleum's PSC and other contracts relating to its license area require government consent to effect a change of control of Forza Petroleum or an assignment of Forza Petroleum's interest in the license area. Accordingly, should Forza Petroleum seek to reduce its ownership interest in these license areas or if there is a change of control of Forza Petroleum (including by reason of a reduction of ownership of Forza Petroleum by Zeg Oil below its controlling stake), government consent may be required in order to remain in compliance with the applicable contract. The failure to obtain such consent may have a Material Adverse Effect. Further, the requirement to obtain such consent may limit the ability of a third party to effect a change of control transaction with Forza Petroleum. Certain of Forza Petroleum's PSC and other contracts contain or may contain a right of refusal granted to a government entity. This right may limit Forza Petroleum's ability to transfer its interests in its license areas to a purchaser in the event of a sale of all or substantially all of Forza Petroleum's assets. The entry by Forza Petroleum into a change of control transaction could also trigger the early payment of the purchase consideration payable by Forza Petroleum under the agreements entered into by it when it acquired the Hawler license area.

Forza Petroleum may not realize the anticipated benefits of future acquisitions or other corporate transactions.

Forza Petroleum may, subject to the availability of funding, seek to acquire additional license areas directly or indirectly through a corporate transaction such as a take-over or merger. Although Forza Petroleum performs a review of license areas prior to acquiring them that it believes is consistent with industry practices, such reviews are inherently incomplete. It generally is not feasible to review in depth every individual property involved in each license area acquisition and, supported by a smaller team in recent years, available resources for such a project may be limited. Ordinarily, Forza Petroleum will focus its due diligence efforts on higher valued properties and will sample the remainder. Inspections may not be performed on every well, and structural or environmental problems, such as ground water contamination, are not necessarily observable even when an inspection is undertaken. Forza Petroleum may be required to assume pre-closing liabilities, including environmental liabilities, and may acquire interests in license areas on an "as is" basis. To date, Forza Petroleum's exploration and development activities have principally focused on Iraq, especially the Kurdistan Region, and West Africa and Forza Petroleum's lack of presence in other regions may limit the geographic scope of its ability to identify and complete acquisitions.

Any license area acquisition involves potential risks, including, among other things: (i) mistaken assumptions and expectations about the amount of reserves and resources and operating costs; (ii) an inability to successfully integrate acquired license areas; (iii) an inability to hire, train or retain qualified personnel to manage and operate the acquired license areas; (iv) the assumption of unknown liabilities; (v) limitations on rights to indemnity from the seller; (vi) mistaken assumptions about the overall cost of equity or debt asset acquisition financing; (vii) unforeseen difficulties operating acquired license areas, which may be in new geographic areas; and (viii) the loss of key employees and/or key relationships relating to the acquired license areas.

Acquisitions or investments may require Forza Petroleum to expend significant amounts of cash, resulting in Forza Petroleum's inability to use these funds for other business purposes, including the development of existing license areas. The potential impairment or complete write-off of intangible assets related to any such acquisition may reduce Forza Petroleum's overall earnings and could negatively affect the Corporation's balance sheet.

There can be no assurance that Forza Petroleum will be able to successfully realize the anticipated benefits of any acquisition. The costs involved and time required to realize the anticipated benefits of planned acquisitions may exceed those benefits and may detract from available resources that could have been committed elsewhere for greater benefit. The integration of any acquired assets may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters.

Forza Petroleum's operations could be negatively impacted by security threats, including cybersecurity threats as well as other disasters and related disruptions.

The Corporation's business processes depend on the availability, capacity, reliability and security of information technology infrastructure and the ability to expand and update this infrastructure in response to changing needs. It is critical to the Corporation's operations that its facilities and infrastructure remain secure. There can be no assurance that measures taken to defend against cybersecurity threats will be sufficient for this purpose. The ability of the information technology function to support Forza Petroleum's business in the event of a security breach or a disaster such as fire or flood and its ability to recover key systems and information from unexpected interruptions cannot be fully tested and there is a risk that, if such an event actually occurs, the Corporation may not be able to address immediately the repercussions of the breach or disaster. Although the Corporation has implemented strategies to mitigate impacts from these types of events, key information and systems may be unavailable for a number of days or weeks, limiting the ability to conduct business or perform some business processes in a timely manner.

The Corporation has been and will continue to be targeted by parties using fraudulent "spoof" and "phishing" emails to misappropriate information or to introduce viruses or other malware through "trojan horse" programs to the Corporation's systems. Despite efforts to mitigate "spoof" and "phishing" emails through education, “spoof” and “phishing” activities remain a serious problem that could damage or compromise the Corporation’s information technology infrastructure.

Risks Relating to the Oil Industry

Changes in oil prices or global supply and demand dynamics may have a Material Adverse Effect.

Forza Petroleum’s future profitability and growth and the carrying value of its license area are substantially dependent on prevailing prices of oil. Prices for oil are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil, market uncertainty and a variety of additional factors beyond the control of Forza Petroleum. During the first half of 2020, the confluence of decreasing demand resulting from the COVID-19 global pandemic and supply disagreements between Saudi Arabia and Russia led to a severe and sharp decline in oil prices. Although oil prices have rebounded very significantly since the second half of 2020, prices remain volatile. If prices fall significantly from current values, a Material Adverse Effect may result, negatively affecting the revenues of Forza Petroleum, constraining its planned level of spending for exploration and development, resulting in slower growth in production levels, increasing the risk of a reduction in the carrying value of Forza Petroleum’s oil and gas assets and in its level of estimated oil reserves.

No assurance can be given that oil prices will be sustained at levels which enable Forza Petroleum to operate profitably, especially given that Forza Petroleum expects to limit its operations to oil-related activities and will therefore be unable to offset oil price decreases with counter-cyclical changes in other commodity prices. A charge to earnings arising from any write down of Forza Petroleum’s capitalized costs of its license area, while not directly affecting cash flow, could be viewed unfavourably in the market and thus cause an adverse impact on the trading price of the Common Shares or could limit Forza Petroleum’s ability to access equity funding or to borrow funds or comply with covenants contained in credit agreements or other debt instruments, which could have a Material Adverse Effect.

Historically, oil markets have been volatile and are likely to continue to be volatile. Oil prices are subject to large fluctuations in response to a variety of factors beyond the control of Forza Petroleum, including but not limited to:

- global and regional supply and demand, and expectations regarding future supply and demand for oil;
- global and regional economic conditions;
- geopolitical uncertainty;
- war, terrorism, government regulation, social and political conditions in producing countries generally and in Iraq specifically;
- availability of pipelines, tanker ships and processing equipment;
- proximity to, and the capacity and cost of, transportation;
- petroleum refining capacity;
- price, availability and government subsidies of alternative fuels;
- price and availability of new technologies;

- the ability of the members of OPEC and other oil-producing nations to set and maintain specified levels of production and prices;
- political, economic and military developments in producing regions, particularly Russia, the United States, the Middle East, Africa and Central and South America and domestic and foreign governmental regulations and actions, including export restrictions, sanctions, taxes, repatriations and nationalizations; and
- prevailing weather conditions and natural disasters.

It is impossible to reliably predict future oil price movements.

Forza Petroleum conducts business in jurisdictions with inherent risks relating to fraud, bribery and corruption.

Forza Petroleum operates and conducts business in a country which has experienced high levels of governmental and business corruption, bribery and other criminal activity. According to Transparency International's 2021 Corruption Perceptions Index, Iraq is ranked 157 out of 180 countries. Forza Petroleum and its executive officers, directors and employees may in the future be the subject of press speculation, government investigations and other accusations of corrupt practices or illegal activities, including improper payments to individuals of influence.

The failure of the government of the country in which Forza Petroleum operates to continue to fight corruption or the perceived risk of corruption could have a material adverse effect on the local economies, and a Material Adverse Effect.

Forza Petroleum's activities are subject to a number of laws that prohibit various forms of corruption, including local laws that prohibit both commercial and official bribery and anti-bribery laws that have a global reach, such as the CFPOA. The increasing number and severity of enforcement actions in recent years present particular risks with respect to Forza Petroleum's business activities, to the degree that any employee or other person acting on Forza Petroleum's behalf might offer, authorize, or make an improper payment to a foreign government official, party official, candidate for political office, or political party, an employee of a foreign state-owned or state-controlled enterprise, or an employee of a public international organization.

There is no assurance that the internal policies and procedures of Forza Petroleum have been or will be adhered to by its employees. Findings against Forza Petroleum, its directors, executive officers or employees, or their involvement in corruption or other illegal activity could result in criminal or civil penalties, including substantial monetary fines, against Forza Petroleum, its directors, executive officers or employees. Any government investigations or other allegations against Forza Petroleum, its directors, executive officers or employees, or finding of involvement in corruption or other illegal activity by such persons, could significantly damage Forza Petroleum's reputation and its ability to do business, including affecting its rights under the various contracts it is party to or through the loss of key personnel, and could have a Material Adverse Effect. Furthermore, alleged or actual involvement in corrupt practices or other illegal activities by Forza Petroleum, the partners of Forza Petroleum or others with whom Forza Petroleum conducts business, could also significantly damage Forza Petroleum's reputation and business and could have a Material Adverse Effect.

Forza Petroleum may enter into joint operation agreements with third parties with respect to its oil and gas assets and holds its license area jointly with government or government owned/controlled enterprises and will require government permits, licenses and approvals for its operations. Forza Petroleum will have limited ability to control the activities of its partners as it relates to such matters. Despite the establishment and implementation by the Corporation of policies and procedures to prevent bribery, fraud and corruption, there can be no assurance that those anti-bribery, anti-fraud or anti-corruption policies and procedures are or will be sufficient to protect against fraudulent and/or corrupt activity. In particular, Forza Petroleum, in spite of its best efforts, may not always be able to prevent or detect corrupt or unethical practices by employees or third parties, such as sub-contractors or partners, which may result in reputational damage, civil and/or criminal liability (under the CFPOA or any other relevant compliance, anti-bribery, anti-fraud or anti-corruption laws) being imposed on Forza Petroleum or its personnel, which could have a Material Adverse Effect.

Forza Petroleum operates in a highly competitive industry, which may restrict its ability to acquire suitable producing license areas or prospects for exploratory drilling and may result in increased costs.

The oil and gas industry is intensely competitive in all its phases. Forza Petroleum competes with numerous other participants in the acquisition and development of license areas and in the production of oil, including oil companies that possess greater technical, personnel and financial resources. The ability of Forza Petroleum to increase oil reserves in the future will depend not only on its ability to explore and develop its present license area, but also on whether it is able to select and acquire suitable producing license areas or prospects for exploratory drilling. Forza Petroleum's inability to successfully compete for the acquisition of new license areas could have a Material Adverse Effect.

Competition for exploration and production licenses as well as other regional investment or acquisition opportunities may further increase in the future. This may lead to increased costs in the conduct of Forza Petroleum's activities and reduced available growth opportunities. Any failure by Forza Petroleum to compete effectively could have a Material Adverse Effect.

Forza Petroleum may not be able to commercially develop its oil reserves and/or contingent and prospective oil resources.

The determination of risked prospective oil resources by NSAI reflects geologic risk (being the risk that hydrocarbons will not be discovered in commercial quantities) and risks associated with commercial development, including but not limited to political risk. The determination of contingent oil resources by NSAI also reflects risks associated with commercial development, including but not limited to political risks. The risks set forth below are not exhaustive and should be considered together with the other risks described elsewhere in this Annual Information Form.

In the Hawler license area, risks that could prevent, delay or increase the cost of development include:

- one of the two international export pipeline routes is through provinces of Iraq outside the Kurdistan Region;
- potential costs associated with disposing of natural gas that is a by-product of oil production; and
- the Demir Dagh, Banan and Zey Gawra fields, and the Ain Al Safra discovery, are located in close proximity to, or potentially considered to be in, an area over which jurisdiction is disputed by the Kurdistan Region and the Iraqi Federal Government.

Exploration, development and production activities are dependent on the availability of equipment and services sourced from third-party providers.

Oil exploration and development activities are dependent on the availability of specialized drilling and other equipment and third-party service contractors to provide associated services related to the drilling, testing, completion and production of oil wells in the particular areas where such activities will be conducted. In periods of high oil prices, demand for such equipment and contractors may exceed supply, resulting in increased costs and/or lack of availability of equipment and key contractors. Limited equipment and services availability or access limitations may delay or increase the cost of the Corporation's exploration and development activities. Disruptions of operations or increased costs also can occur as a result of disputes with contractors or a shortage of contractors with particular capabilities.

Limited availability and increased prices may, in particular, result from any significant increase in regional exploration and development activities. In the area in which Forza Petroleum operates, there can be a significant demand for drilling rigs and other equipment and services. Failure by Forza Petroleum to secure necessary equipment and services in a timely manner could have a Material Adverse Effect.

Additionally, because Forza Petroleum does not have the same control over contractors as it does over Forza Petroleum's own employees, there is a risk that such contractors may not operate in accordance with Forza Petroleum's safety standards or other policies including anti-corruption and anti-bribery policies. Any of the foregoing circumstances could have a Material Adverse Effect.

Dry wells may lead to a downgrading of the value of Forza Petroleum's PSC or require further funds to continue exploration work.

The license area being explored by Forza Petroleum has a number of prospects and leads for the discovery of oil. Should Forza Petroleum undertake drilling in a particular geographic area but discover no oil or does not discover oil in commercially worthwhile amounts (a "**dry well**"), this may lead to a downgrading of the value of the PSC.

Dry wells may also result in Forza Petroleum requiring substantially more funds if it chooses to continue exploration work and drill further wells. Such funding may be unavailable or may only be available on unfavourable terms, leading to a potential inability of the Corporation to continue its exploration and drilling work. Drilling a dry well would also mean that Forza Petroleum would not be able to make a return on its investment, resulting in a corresponding write-off. Any of these circumstances could have a Material Adverse Effect.

The oil reserves and resources data for Forza Petroleum's assets contained in this Annual Information Form and elsewhere in the Corporation's public disclosure are estimates only, involving subjective judgments and determinations, are made as at December 31, 2021 only and may change based on new information from drilling activities and oil production, the results of drilling activities or changes in economic factors.

There are numerous uncertainties inherent in estimating quantities of proved, proved plus probable, and proved plus probable plus possible oil reserves and contingent and prospective oil resources and revenue to be derived therefrom, including many factors beyond the control of Forza Petroleum. The reserves, resources and revenue information set forth in this Annual Information Form represent estimates only. Estimations of resource volumes are inherently inexact, and the accuracy of any estimate is a function of the quality of available data, engineering and geological interpretation, judgment, production projections, maintenance and development capital, and other uncertainties inherent in estimating quantities of recoverable oil. Thus, there can be no guarantee that estimates of quantities and quality of oil disclosed in this Annual Information Form will be discovered or recovered.

In general, estimates of economically recoverable oil reserves and the future net revenue therefrom are based on a number of factors and assumptions made as at the date on which the oil reserves estimates were determined, such as geological and engineering estimates (which have inherent uncertainties), historical production from the license areas, the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results. All such estimates are, to some degree, uncertain and the classification of oil reserves represents only an attempt to define the degree of uncertainty involved and is subject to further revision, upward or downward, because of future operations or as additional information becomes available. Contingent oil resources, although discovered, are by their nature uncertain in respect of the inferred volume range and prospective oil resources are speculative in respect of their inferred presence (i.e., they are undiscovered) and uncertain in respect of their inferred volume range. For these reasons, estimates of the economically recoverable oil reserves attributable to any particular group of properties, the classification of such oil reserves based on risk recovery and estimates of future net revenue expected therefrom, prepared by different engineers or by the same engineers at different times, may vary substantially. Forza Petroleum's actual production, revenues, taxes and development and operating expenditures with respect to Forza Petroleum's oil reserves will likely vary from such estimates, and such variances could be material.

In general, estimates with respect to oil reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of oil reserves, rather than upon actual production history. Estimates based on these methods generally are less reliable than those based on actual production history. Subsequent evaluation of the same oil reserves based upon production history will result in variation, which may be material, in the estimated or actually recovered oil reserves.

The present values of estimated future net revenue described in this Annual Information Form are as at December 31, 2021 only and should not be construed as the current market value of estimated resources attributable to Forza Petroleum's license area. The estimated future net revenue from oil reserves are based upon price and cost estimates, which may vary from actual prices and costs and such variances could be material. Actual future net revenue will also be affected by factors such as the amount and timing of actual production, supply and demand for oil, curtailments or increases in consumption by purchasers and changes in governmental regulations or taxation.

Forza Petroleum's actual production of quantities of oil, revenues, taxes and development and operating expenditures with respect to its oil resources estimates may vary from such estimates. In addition, any estimates of future net revenue contained within this Annual Information Form are dependent on estimates of future oil prices, and capital and operating costs. Variances to actual prices and costs may be significant. As such, these estimates are subject to variations due to changes in the economic environment at the time and variances in future budgets and operating plans.

Forza Petroleum is subject to compliance with foreign regulatory regimes.

In the region where Forza Petroleum presently carries on business, all phases of oil exploration, development and production are regulated by the government. Areas of regulation include exploration and production approvals and restrictions, production taxes and royalties, price controls, export controls, relinquishment requirements, environmental protection and health and safety. Regulations applicable to the Corporation derive both from national and local laws and from the PSC governing Forza Petroleum's interests.

Forza Petroleum may require licenses or permits from various governmental authorities to carry out its planned exploration, development and production activities. There can be no assurance that Forza Petroleum will be able to obtain all necessary licenses and permits when required, nor can there be any assurance that the licenses and permits held by Forza Petroleum will not expire or be revoked, terminated, suspended or adversely amended if either the Corporation or its partners fails to comply with the terms of such licenses or permits, or in the event of any change of relevant laws or regulations or their interpretation. Forza Petroleum cannot control the actions or omissions of its partners and may suffer costs or other losses if such counterparties to any contractual arrangements entered into by Forza Petroleum do not meet their obligations under such arrangements.

Forza Petroleum is subject to macroeconomic risks and operates in emerging and developing markets, which are generally more susceptible to market disruptions and downturns than more developed markets.

The volatility in recent years in international and domestic capital markets has led to reduced liquidity and increased credit risk premiums for certain market participants and has resulted in a general reduction in available financing opportunities. The same has resulted from institutional investors increasingly withdrawing from oil and gas investments given the connection between the oil industry and climate change. Companies with operations in emerging and developing markets may be particularly susceptible to this volatility and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating in emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and a number of different factors (for example, a decrease in credit ratings, state or central bank intervention in one market or terrorist activity and conflict) could affect the price or availability of funding for entities operating in emerging and developing markets, including Forza Petroleum.

These factors, as well as other related factors, may cause decreases in the Corporation's asset values that are deemed to be other than temporary, which may result in impairment losses.

In addition, terrorist activity and armed conflicts in the Middle East, including activity related to ISIS or Iran, could have an adverse effect on the economies of the country in which Forza Petroleum operates and negatively affect the commercial viability of its oil and gas industries. Any acts of terrorism or armed conflicts causing disruptions of oil exploration, development, production and exports in the region where Forza Petroleum conducts business could have a Material Adverse Effect.

The Corporation's capital expenditures and operating costs estimates may not be accurate.

The estimated capital expenditure and operating cost requirements disclosed in this Annual Information Form are estimates only. Should those capital expenditure requirements or operating costs turn out to be higher than currently anticipated (for example, due to unanticipated difficulties in drilling, price increases and infrastructure constraints) Forza Petroleum and its partners may need to seek additional funds which may not be available on reasonable commercial terms, or at all, to satisfy the increased capital expenditure requirements and operating costs and this could have a Material Adverse Effect.

Forza Petroleum's operations may be subject to work stoppages or labour disputes.

There is a risk that strikes, work slowdowns or other types of conflict with employees, including those of Forza Petroleum's independent contractors or their unions, may occur at Forza Petroleum's operations. Forza Petroleum's contractors or service providers may be limited in their flexibility in dealing with their employees, including due to the presence of trade unions. If there is a material disagreement between contractors or service providers and their employees, Forza Petroleum's operations could suffer an interruption or shutdown that could have a Material Adverse Effect.

Forza Petroleum may be impacted by OPEC and government policies.

Iraq is a member of OPEC, and Forza Petroleum may operate in other OPEC-member countries in the future. Production in OPEC-member countries can be constrained from time to time by OPEC production quotas. In Iraq (excluding the Kurdistan Region), the Iraqi Ministry of Oil determines how much production is exported and how much is sold domestically. In the Kurdistan Region, the Ministry of Natural Resources of the KRG determines the quantities of production to export and to sell within the Kurdistan Region. There can be no guarantee that the local market will exist or be stable or, if a market does exist and is stable, regarding the local crude oil market price that may be realized by Forza Petroleum. Local crude oil market prices realized on domestic sales within Iraq are substantially below international prices. There can be no assurance that the Iraqi Federal Government will not assume a greater role in the determination of exports from the Kurdistan Region as a result of continuing negotiations. In addition to OPEC production quotas, oil producing countries can also implement export quotas. The right to export oil and gas may depend on obtaining licenses and quotas, the granting of which may be at the discretion of the relevant regulatory authorities. Forza Petroleum may be constrained in exporting oil that it produces due to the imposition of export quotas. Accordingly, Forza Petroleum may receive less than international market value for any production that it is obligated to sell in a domestic market. If a meaningful amount of production is required to be sold domestically, this could have a Material Adverse Effect.

Forza Petroleum is subject to significant environmental, health and safety laws and regulations and may be subject to additional regulation in the future and any failure to comply with such regulations could give rise to significant liabilities.

All aspects of the oil and gas business are subject to extensive national, state and local environmental laws and regulations in the jurisdiction in which Forza Petroleum operates. These laws and regulations are of general application and apply to Forza Petroleum and other companies and enterprises in the same industry, setting various standards regulating health and environmental quality, providing for civil and criminal penalties and other liabilities for the violation of such standards and establishing in certain circumstances obligations to remediate current and former facilities and locations where operations are or were conducted. In addition, special provisions may be appropriate or required in environmentally sensitive areas of operation. There can be no assurance that Forza Petroleum will not incur substantial financial obligations in connection with environmental compliance.

Significant liability could be imposed on Forza Petroleum for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property purchased by Forza Petroleum, acts of sabotage or non-compliance with environmental laws or regulations. Such liability could have a Material Adverse Effect. Moreover, Forza Petroleum cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. Compliance with more stringent laws or regulations, or more vigorous enforcement policies of any regulatory authority, could in the future require material expenditures by Forza Petroleum for the installation and operation of systems and equipment for remedial measures, any or all of which could have a Material Adverse Effect.

Forza Petroleum has or may have an obligation to restore producing fields to a condition acceptable to the authorities at the end of these fields' commercial lives. Each party to the applicable PSC is typically liable for its share of the cost of decommissioning infrastructure installed under that PSC. However, should any of its partners not meet its cost sharing obligations for environmental remediation, Forza Petroleum may be liable for the entire cost or a cost amount in excess of its proportional share, which could have a Material Adverse Effect. These costs are generally payable at a time when assets are no longer generating cash flow. Although Forza Petroleum makes an accounting provision for decommissioning and site restoration costs, there are no immediate plans to fund a reserve account for these potential costs in respect of any of Forza Petroleum's current properties or facilities. Rather, the costs of decommissioning are expected to be paid from the proceeds of future production in accordance with the practice generally employed in oilfield operations. There can, however, be no assurance that the proceeds from future oil production will be sufficient to meet the costs of decommissioning. The use of other funds to satisfy such decommissioning costs could have a Material Adverse Effect.

Forza Petroleum's operations are subject to risks associated with natural disasters and operating hazards and there is no assurance that such events would be covered by insurance or whether any such insurance coverage would be adequate.

Oil exploration, development and production operations, including storage and transportation, are subject to risks and hazards such as equipment defects, malfunction and failures, explosion, fires, blowouts, migration of harmful substances, gas releases and spills, loss from inclement weather, earthquakes, environmental contamination and natural disasters. Any of these hazards could result in personal injury or death, substantial damage to, or destruction of, oil wells or formations, production facilities, other equipment and property, suspension of operations, environmental contamination and damage to the property of others.

Forza Petroleum's operations are subject to all of the risks normally incident to drilling of oil wells and the operation and development of oil and gas license areas, including encountering unusual or unexpected geological formations or pressures, geological uncertainties, seismic shifts, premature declines of reservoirs, invasion of water into producing formations, equipment failures and other accidents, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, waste disposal and other environmental risks. High pressures and mechanical difficulties, including stuck pipe, collapsed casing and separated cable, increase the risk of delays in drilling and of operational issues arising.

If any of these events were to occur, they could result in environmental damage, injury to persons and loss of life. They could also result in significant delays to drilling programs, a partial or total shutdown of operations, significant damage to Forza Petroleum's equipment and equipment owned by third parties and claims for personal injury or wrongful death being brought against Forza Petroleum. These events can also put at risk the Hawler PSC which enables the Corporation to carry on business, and could result in Forza Petroleum incurring significant civil liability claims, significant fines or penalties as well as criminal sanctions potentially being enforced against Forza Petroleum and/or its directors and executive officers. Forza Petroleum may also be required to curtail or cancel any operations on the occurrence of such events.

Forza Petroleum's insurance coverage may not cover or be adequate to cover all losses or claims involving its assets or operations. There can be no assurance that Forza Petroleum's insurance will be available on a consistent or economically feasible basis or at all. Increases in insurance costs would reduce Forza Petroleum's operating margins. Increases in insurance costs and changes in the insurance markets may limit the coverage that Forza Petroleum is able to maintain or prevent it from insuring against certain risks. Changes in Forza Petroleum's operating experience, such as an increase in accidents or lawsuits or a catastrophic loss, could cause its insurance costs to increase significantly or could cause Forza Petroleum to be unable to obtain certain insurance. Changes in Forza Petroleum's industry and perceived risks in its business by current or prospective insurers could have a similar effect.

Forza Petroleum may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. For example, Forza Petroleum does not currently have business interruption insurance in place and, therefore, it will suffer losses as a result of a shut-in or cessation in production. Liability for uninsured risks or underinsured risks could significantly increase Forza Petroleum's expenses, and the occurrence of a significant event against which Forza Petroleum is not fully insured could have a Material Adverse Effect. Large or unexpected losses may exceed Forza Petroleum's policy limits and may result in the termination or limitation of coverage, exposing it to uninsured losses. In addition, the inability of Forza Petroleum's insurers to meet their obligations in full or in part, or an underwriting estimate by Forza Petroleum of its own obligations for claims could have a Material Adverse Effect.

Forza Petroleum is subject to fluctuations in commodity prices, interest and exchange rates, and inflation and may engage in hedging activities to limit its exposure to such fluctuations.

The nature of Forza Petroleum's operations results in exposure to fluctuations in commodity prices, interest rates and exchange rates. Forza Petroleum monitors its exposure to these fluctuations and, where appropriate, may use derivative financial instruments such as physical purchase and sales contracts, forwards, futures, swaps and options for non-trading purposes to manage its exposure to these risks. While Forza Petroleum does not maintain a defined hedging program, it may determine it appropriate to enter into derivative financial instruments or physical delivery contracts to reduce its exposure. The terms of these derivative instruments may limit the benefit of commodity price increases, changes in interest rates and currency value which are otherwise favourable to Forza Petroleum and may result in financial or opportunity loss due to delivery commitments and counterparty risks associated with the contracts. Utilization of derivative financial instruments may introduce increased volatility into the Corporation's reported net earnings. If Forza Petroleum enters into hedging arrangements, it may suffer financial loss if it is unable to commence operations on schedule or is unable to produce sufficient quantities of oil to fulfill its obligations.

Most of Forza Petroleum's revenue is expected to be received in or referenced to United States dollar denominated prices, while the large majority of Forza Petroleum's expenditures are denominated in United States dollars, with a much lesser proportion in Swiss francs. Forza Petroleum's accounts are prepared in United States dollars and dividends, if declared, would be expected to be paid in Canadian dollars. Forza Petroleum is subject to inflation in the countries in which it operates and fluctuations in the rates of currency exchange between the United States dollar and these currencies. While such inflation does not currently impact Forza Petroleum, future fluctuations may materially affect Forza Petroleum's business, results of operations or financial condition. Consequently, construction, exploration, development, administration and other costs may be higher than Forza Petroleum anticipates.

Forza Petroleum may be required to limit flaring of natural gas that is a by-product of oil production, which could potentially restrict future oil production.

Associated natural gas is a by-product of the oil extraction process and is generally treated as "waste gas" as opposed to an economic resource. In order to dispose of waste gas it is often burned on reaching the surface with a process called "flaring". In recent years, more countries have taken the position that the waste gas may have economic value and that the flaring of waste gas poses environmental and health risks as flaring mainly emits carbon dioxide and carbon monoxide along with a variety of other air pollutants, toxic heavy metals and black carbon soot. Certain countries have regulated the flaring of waste gases and require companies to obtain permits in order to do so. By directive dated July 11, 2021, the Ministry of Natural Resources has required that oil companies operating in the Kurdistan Region take action to cease flaring except where dispensation has been provided. The Corporation's field development plan for Hawler also includes limitations on flaring.

Forza Petroleum may not be able to obtain flaring permits or other authorization, or if obtained, renew such permits or authorizations. If Forza Petroleum is not able to obtain or renew any such permits or authorizations this could limit future production, increase costs and have a Material Adverse Effect.

If Forza Petroleum becomes subject to arbitration or litigation it could materially impact its business.

From time to time, Forza Petroleum may become subject to arbitration or litigation arising out of its operations. Companies in the oil and gas industry, as with all industries, may be subject to legal claims, both with and without merit, from time to time. The Corporation cannot preclude that such arbitration or litigation may be brought against the Corporation in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. While Forza Petroleum assesses the merits of each proceeding and defends itself accordingly, it may be required to incur significant expenses or devote significant resources to defending itself against such actions. Damages claimed under such arbitration or litigation may be material or may be indeterminate, and due to the inherent uncertainty of the proceedings, there can be no assurance that the resolution of any particular legal proceeding will not have a Material Adverse Effect. Likewise, the Corporation may incur substantial costs involved with itself initiating proceedings. Those costs may include, at the discretion of the applicable court or arbitration tribunal, contribution towards the costs incurred by other parties to the proceedings. The Corporation may also expose itself to counter-claims by other parties to the proceedings.

Forza Petroleum's business may be materially and adversely affected if Forza Petroleum and/or its employees or agents are found to have breached contractual obligations, not to have met the appropriate standard of care or not exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards. In addition, the adverse publicity surrounding any such claims may have a Material Adverse Effect.

Forza Petroleum may not be able to keep pace with the adoption of new technologies in the oil and gas industry.

The oil and gas industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other oil and gas companies may have greater financial, technical and personnel resources than the Corporation that allow them to enjoy technological advantages and may in the future allow them to implement new technologies either before Forza Petroleum does so or in circumstances where Forza Petroleum is not able to do so. There can be no assurance that Forza Petroleum will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilized by Forza Petroleum or implemented by it in the future may become obsolete. If Forza Petroleum is unable to utilize the most advanced commercially available technology, this could have a Material Adverse Effect.

Regulations related to emissions and the impact of any changes in climate could adversely impact Forza Petroleum.

Governments around the world have become increasingly focused on regulating greenhouse gas ("**GHG**") emissions and addressing the impacts of climate change. GHG emissions legislation is emerging and is subject to change. For example, on an international level, almost 200 nations agreed in December 2015 to an international climate change agreement in Paris, France (the "**Paris Agreement**") that calls for countries to set their own GHG emission targets and be transparent about the measures each country will use to achieve its GHG emission targets. Iraq is a signatory to the Paris Agreement but has not yet ratified it. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact the Corporation's business, any such future laws and regulations that limit emissions of GHGs could adversely affect demand for the oil produced by Forza Petroleum or increase Forza Petroleum's costs related to production.

Current GHG emissions legislation has not resulted in material compliance costs, however, it is not possible at this time to predict whether proposed legislation or regulations will be adopted, and any such future laws and regulations could result in additional compliance costs or additional operating restrictions. If the Corporation is unable to recover a significant level of its costs related to complying with climate change regulatory requirements imposed on it, it could have a Material Adverse Effect on the Corporation's business, financial condition and results of operations. In addition, significant restrictions on GHG emissions could result in decreased demand for the oil that the Corporation produces, with a resulting decrease in the value of the Corporation's reserves. Further, to the extent financial markets view climate change and GHG emissions as a financial risk, this could negatively impact the cost of or access to capital. Finally, the scientific community has concluded that increasing concentrations of GHGs in the Earth's atmosphere produces climate changes that are having significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other extreme climatic events; events that could have a Material Adverse Effect.

Risks Relating to the Common Shares

The price of the Common Shares may fluctuate significantly.

The securities of publicly traded companies, particularly oil and gas exploration and development companies, can experience a high level of price and volume volatility and the value of the Common Shares can be expected to fluctuate depending on various factors, not all of which are directly related to the success of Forza Petroleum and its operating performance, underlying asset values or prospects. These include the risks described elsewhere in this "Risk Factors" section, as well as the following factors:

- market conditions in the broader stock market in general;
- actual or anticipated fluctuations in Forza Petroleum's results of exploration and operations;
- perceived prospects for Forza Petroleum's business and operations and results of operations and exploration and the oil and gas industry in general;
- interruptions to production, sale or receipt of proceeds of sale of oil;
- issuance of new or changed securities analysts' reports or recommendations;
- additions or departures of executive officers and other key personnel of Forza Petroleum;
- changes in the economic performance or market valuations of or events affecting other companies comparable to Forza Petroleum;
- sales or perceived likelihood of sales of additional Common Shares, whether from treasury or in the secondary market;
- arbitration, litigation and governmental or regulatory investigations;
- worldwide economic and political conditions or events;
- economic and political conditions in Iraq and hostilities in Iraq;
- changes in shareholder perceptions and confidence levels;
- significant acquisitions or business combinations, strategic partnerships, or capital commitments by or involving Forza Petroleum or its competitors; and
- trends, concerns, technological or competitive developments, changes in government policies, regulatory changes and other related issues in Forza Petroleum's business or target markets.

These and other factors may cause the market price and demand for the Common Shares to fluctuate substantially, which may limit or prevent holders from being able to readily sell their Common Shares and may otherwise negatively affect the liquidity of the Common Shares. The trading price of the Common Shares may also decline in reaction to events that affect other companies in the same industry or related industries, even if these events do not affect Forza Petroleum.

Financial markets have experienced significant price and volume fluctuations during the last several years that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if Forza Petroleum's operating results, underlying asset values or prospects have not changed. As well, certain institutional holders may base their investment decisions on consideration of Forza Petroleum's governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares.

Issuance of additional securities may dilute the interest of shareholders.

The Board may issue an unlimited number of Common Shares or other securities of Forza Petroleum without any vote or action by Forza Petroleum's shareholders, subject to the rules of the Toronto Stock Exchange and any stock exchange on which Forza Petroleum's securities may be listed from time to time. Forza Petroleum may make future acquisitions or enter into financings or other transactions involving the issuance of securities.

Forza Petroleum may need to raise significant funds from time to time in the future and this may result in dilution (which could be significant) to existing shareholders. In addition, Forza Petroleum will, in the future, issue Common Shares under its LTIP and may issue Common Shares for other reasons, including in connection with acquisitions or to settle debts. In connection with the certain amendments to the AOG Loan Facility in 2020, Forza Petroleum issued common share purchase warrants. If the warrants are exercised or if Forza Petroleum issues any additional equity, the percentage ownership of existing shareholders could be diluted.

Zeg Oil exercises significant control over the affairs of the Corporation.

Zeg Oil is the largest holder of record of Forza Petroleum and through such holding effectively controls Forza Petroleum. Zeg Oil may have interests that differ from those of other shareholders.

The number of Common Shares of record owned by Zeg Oil allows it to effectively control substantially all the actions taken by the shareholders of Forza Petroleum, including the election of directors. Accordingly, Zeg Oil has the ability to exercise significant influence over Forza Petroleum. Zeg Oil has sufficient voting power to, among other things, amend the articles and by-laws of Forza Petroleum and delay, deter or prevent a change of control of Forza Petroleum that might otherwise be beneficial to its shareholders and such controlling interest in the Corporation may also discourage acquisition bids for Forza Petroleum and limit the amount certain investors may be willing to pay for the Common Shares. There can be no assurance that the interests of Zeg Oil will coincide with the interests of other shareholders.

The controlling shareholding position of Zeg Oil may adversely affect shareholder interest in and the liquidity and price of the Common Shares.

Ownership of Common Shares is concentrated in a small group of shareholders.

Zeg Oil owns approximately 86.5% of the Common Shares. As a result, the Corporation's public float of shares is limited and is likely to be less when shares held by current and former directors, officers and employees are considered. Trading volume historically has been low resulting in significant price and volume volatility. The market price for the Common Shares may not necessarily be a reliable indicator of the Corporation's fair market value. Limited trading liquidity may limit or prevent holders from being able to readily sell their Common Shares.

Disposal of Common Shares by the controlling shareholder, Zeg Oil, and/or the directors and executive officers of the Corporation could have an adverse effect on the price of the Common Shares.

Forza Petroleum cannot predict whether substantial numbers of the Common Shares will be sold in the open market. In particular, there can be no assurance that Zeg Oil will not reduce its holdings of Common Shares or dividend or otherwise distribute the Common Shares it holds. Sales of a large number of the Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair Forza Petroleum's ability to raise capital through future offerings of Common Shares.

The Corporation's directors and executive officers may be subject to conflicts of interest.

Certain directors and senior management of Forza Petroleum hold or may in the future hold positions with other companies, some of which operate in the oil and gas industry. These other positions could create, or appear to create, potential conflicts of interest when these directors and senior management are faced with decisions that could have different implications for Forza Petroleum and their other business interests. Directors who have a material interest in any person or entity that is a party to a material contract or a proposed material contract with the Corporation are required under the CBCA, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and executive officers are required to act honestly and in good faith with a view to the best interests of the Corporation. In the past, Forza Petroleum has appointed committees of independent directors to evaluate transactions where conflicts of interest exist or are perceived to exist, and Forza Petroleum will continue to deal with conflicts in this fashion. Although Forza Petroleum expects that any such conflicts of interest will be handled in accordance with its corporate governance policies, there is no assurance that all conflicts will be adequately addressed.

Zeg Oil may compete with Forza Petroleum.

Forza Petroleum has not entered into a non-competition agreement with Zeg Oil. Zeg Oil may acquire or hold interests in businesses that compete directly with Forza Petroleum, or may pursue acquisition or other opportunities which are complementary to Forza Petroleum's business, making such an acquisition unavailable to Forza Petroleum. Any competition from Zeg Oil or the pursuit by it of acquisition or other opportunities which are complementary to the business of Forza Petroleum could have a Material Adverse Effect.

Shareholders face risks related to the Corporation's holding company structure in the event of an insolvency, liquidation or reorganization of any of the subsidiaries of the Corporation.

The Corporation holds all of its assets in its direct and indirect subsidiaries. In the event of insolvency, liquidation or reorganization of any such subsidiaries, the holders of Common Shares will have no right to proceed against the assets of those subsidiaries or to cause the liquidation or bankruptcy of those subsidiaries under applicable bankruptcy laws. Creditors of the Corporation's subsidiaries would be entitled to payment in full from such subsidiaries' assets before the Corporation, as a shareholder, would be entitled to receive any distribution therefrom. Claims of creditors of the Corporation's subsidiaries will have a priority with respect to the assets and earnings of these subsidiaries over the claims of the Corporation, except to the extent that the Corporation may itself be a creditor with recognized claims against such subsidiaries ranking at least *pari passu* with other creditors, in which case the claims of the Corporation would still be effectively subordinate to any mortgage or other liens on the assets of such subsidiaries and would be subordinate to any indebtedness of such subsidiaries.

There can be no assurance that Forza Petroleum will ever pay dividends on the Common Shares.

No dividends on the Common Shares have been declared or paid to date. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including earnings, operating results, financial condition, current and anticipated cash needs and any restrictions in financing agreements. The Corporation may never pay dividends.

MATERIAL CONTRACTS

Hawler Production Sharing Contract

The Production Sharing Contract relating to the Hawler license area was entered by the KRG and Norbest Limited (now OP Hawler Kurdistan Limited) on November 10, 2007.

On June 16, 2008, the KRG exercised its right under the Hawler PSC to acquire a 35% working interest in the license area. The interest was acquired by The Kurdistan Exploration and Production Company ("**KEPCO**"), a public company established by the Kurdistan Region Oil and Gas Law. Pursuant to Deed of Assignment and Novation dated December 12, 2008, KEPCO transferred a 15% working interest in the license area to Korea National Oil Corporation. The Deed of Assignment and Novation also amended the Hawler PSC to provide that Norbest Limited would finance up to $300 million of KEPCO's share of the costs of the Contractor (as defined in the Hawler PSC).

The Second Amendment Agreement was entered into as of August 9, 2011 and related to the change of control of Norbest Limited which resulted in the entity being wholly-owned by Forza Petroleum. The Second Amendment Agreement also provided certain extensions to the exploration period and defined certain payments to be paid to the KRG, including capacity building payments.

By Assignment, Novation, and Third Amendment Agreement dated October 2, 2019, the 15% working interest in the Hawler license area held by Korea National Oil Corporation was assigned to KEPCO, and Korea National Oil Corporation ceased to be a party to the Hawler PSC and a member of the Contractor (as defined in the Hawler PSC).

Most recently, in connection with the 2020 change of control of Forza Petroleum, the Corporation entered a letter agreement with the KRG dated July 20, 2020. Pursuant to the letter agreement, Forza Petroleum agreed to amend certain terms of the PSC governing the Hawler license area effective at July 1, 2020. Specifically, Forza Petroleum agreed to a 22% reduction in the cost pool related to its interest and to finance all costs attributed to the 35% interest it does not own for the duration of the development period, and without a cap on such financing facility. Previously, Forza Petroleum had been contracted to finance only the costs attributable to a 20% interest held by KEPCO in the license, to a maximum of $300 million. The Ministry of Natural Resources agreed to waive any rights it has to perform an audit on costs incurred prior to January 1, 2021.

See "Key Contractual Terms" for an overview of the material commercial terms applicable to Forza Petroleum's interest in the Hawler license area.

The Hawler PSC is the only material contract which the Corporation or its subsidiaries have entered into within the last financial year or before the last financial year if the material contract is still in effect, other than contracts entered into in the ordinary course of business.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation is not and was not a party to, and none of its property is or was the subject of, any legal proceedings during the year ended December 31, 2021 involving claims for damages, exclusive of interest and costs, in excess of ten percent of the Corporation's current assets. As of the date hereof, the Corporation is not aware of any such legal proceedings or regulatory actions being contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of Forza Petroleum, or a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the Common Shares, or to the knowledge of Forza Petroleum any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction with Forza Petroleum or its subsidiaries within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Forza Petroleum.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The independent auditors of the Corporation are Deloitte S.A., at its offices located at Rue du Pré-de-la-Bichette 1, 1202 Geneva, Switzerland. Deloitte is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants. Deloitte was first appointed by the Corporation on January 11, 2013.

Computershare Trust Company of Canada in Toronto, Ontario acts as registrar and transfer agent for the Common Shares.

EXPERTS

Other than NSAI and Deloitte S.A. (collectively, the "**Experts**"), there is no person or company who is named as having prepared or certified a report, valuation, statement or opinion described or included, or referred to, in a filing made under NI 51-102 by the Corporation during, or relating to, the Corporation's most recently completed financial year and whose profession or business gives authority to the report, valuation, statement or opinion made by such person or company.

There were no registered or beneficial interests, direct or indirect, in any securities or other property of Forza Petroleum or of one of its associates or affiliates: (i) held by an Expert, when such Expert prepared the report, valuation, statement or opinion referred to herein as having been prepared by such Expert; (ii) received by an Expert, after the time specified above; or (iii) to be received by an Expert, except in each case for the ownership of Common Shares, which in respect of each Expert, as a group, has at all relevant times represented less than 1% of the outstanding Common Shares. In addition, none of the Experts, and no director, executive officer or employee of any of the Experts, is or is expected to be elected, appointed or employed as a director, executive officer or employee of Forza Petroleum or of any associate or affiliate of Forza Petroleum.

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, is contained in the Corporation's management proxy circular dated May 17, 2021 relating to the annual meeting of shareholders held on June 29, 2021, which is available on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's financial statements and management's discussion and analysis for its most recently completed financial year.

SCHEDULE A
GLOSSARY OF TERMS

In this Annual Information Form, unless otherwise indicated or the context otherwise requires, the following terms shall have the meaning set forth below:

"**affiliate**" has the meaning ascribed to that term in the *Securities Act* (Ontario), as amended from time to time.

"**associate**" has the meaning ascribed to that term in the *Securities Act* (Ontario), as amended from time to time.

"**Audit Committee**" means the audit committee of the Board.

"**Audit Committee Charter**" means the charter of the Audit Committee, a copy of which is attached as Schedule B.

"**Board**" means the board of directors of the Corporation.

"**CBCA**" means the *Canada Business Corporations Act*, as amended from time to time.

"**CEO**" means the Chief Executive Officer of the Corporation.

"**CFPOA**" means the *Corruption of Foreign Public Officials Act* (Canada), as amended from time to time.

"**Chair**" means the Chair of the Board.

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time.

"**Common Shares**" means common shares of the Corporation.

"**contingent oil resources**" has the meaning set out under the heading "General Matters – Reserves and Resources Advisory".

"**Corporation**" has the meaning set out under the heading "Corporate Structure".

"**DDPF**" means the Corporation's permanent production facilities located at the Demir Dagh field in the Hawler license area.

"**disputed territories**" has the meaning set out under the heading "Risk Factors – Risks Relating to the Countries in which Forza Petroleum Conducts its Business or Intends to Conduct its Business – Iraq".

"**dry well**" has the meaning set out under the heading "Risk Factors – Risks Relating to the Oil Industry".

"**Experts**" has the meaning set out under the heading "Experts".

"**forward-looking information**" has the meaning set out under the heading "General Matters – Cautionary Note Regarding Forward-Looking Statements".

"**Forza Petroleum**" has the meaning set out under the heading "Corporate Structure".

"**gross**" means, in respect of original oil-in-place, reserves, resources, production, area, capital expenditures or operating expenses, the total original oil-in-place, reserves, resources, production, area, capital expenditures or operating expenses, as applicable, attributable to either (i) 100% of the license area, field, prospect or lead; or (ii) the Corporation's working interest in the license area, field, prospect or lead, as indicated, prior to the deductions specified in the applicable PSC or fiscal regime for each license area.

"**Hawler**" means the license area designated "Hawler" and located in the Kurdistan Region.

"**HSE**" means health, safety and environmental.

"**Iraq**" means the Federal Republic of Iraq.

"**Iraqi Constitution**" means the constitution passed by the Iraqi Federal Government which was ratified in October 2005 and came into effect in 2006.

"**Iraqi Federal Government**" means the federal government of Iraq.

"**Iraqi Provincial Governments**" means the governments of the Iraqi provinces not forming part of regions.

"**Iraqi Regional Governments**" means the regional governments of Iraq.

"**ISIS**" means the self-proclaimed Islamic State of Iraq and Syria.

"**KRG**" means the Kurdistan Regional Government.

"**Kurdistan Region Oil and Gas Law**" means KRG Law No. 28 of 2007.

"**Kurdistan Region**" means the Kurdistan Region of Iraq.

"**LTIP**" means the Corporation's long term incentive plan.

"**Material Adverse Effect**" has the meaning set out under the heading "Risk Factors".

"**NGOs**" has the meaning set out under the heading "Risk Factors – Risks Relating to the Countries in which Forza Petroleum Conducts its Business or Intends to Conduct its Business – General".

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

"**NSAI**" means Netherland, Sewell & Associates, Inc., an independent oil and gas consulting firm providing reserve and resource reports to the worldwide petroleum industry.

"**NSAI Report**" means the report dated February 15, 2022, prepared with an effective date as at December 31, 2021 by NSAI concerning the oil reserves and resources of Forza Petroleum's license areas and the net present value of future net revenue associated with such oil reserves and risked net present value of future net revenue associated with the best estimate contingent oil resources sub-classified as development pending, based on forecast prices and cost assumptions as at December 31, 2021 and presented in accordance with NI 51-101.

"**OPEC**" means the Organization of Petroleum Exporting Countries.

"**OPHKL**" means OP Hawler Kurdistan Limited, a company continued in the British Virgin Islands on January 20, 2012.

"**PKK**" has the meaning set out under the heading "Risk Factors – Risks Relating to the Countries in which Forza Petroleum Conducts its Business or Intends to Conduct its Business – Iraq".

"**possible oil reserves**" has the meaning set out under the heading "General Matters – Reserves and Resources Advisory".

"**Preferred Shares**" means the preferred shares issued by the Corporation.

"**probable oil reserves**" has the meaning set out under the heading "General Matters – Reserves and Resources Advisory".

"**prospective oil resources**" has the meaning set out under the heading "General Matters – Reserves and Resources Advisory".

"**proved oil reserves**" has the meaning set out under the heading "General Matters – Reserves and Resources Advisory".

"**PSC**" means a production sharing contract, being a contract whereby a government or government corporation contracts with a petroleum company to explore for, develop and extract petroleum substances in an area that is subject to a license held by the government corporation, at the risk and expense of the petroleum company, in exchange for a share of production.

"**reserves**" has the meaning set out under the heading "General Matters – Reserves and Resources Advisory".

"**resources**" has the meaning set out under the heading "General Matters – Reserves and Resources Advisory".

"**U.K.**" or "**United Kingdom**" means the United Kingdom, comprising England, Scotland, Wales, and Northern Ireland.

"**U.S.**" or "**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

"**working interest**" means the current interest in the applicable license area.

"**Zeg Oil**" means Zeg Oil and Gas Limited.

SCHEDULE B
AUDIT COMMITTEE CHARTER

This Charter of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Forza Petroleum Limited (the "**Company**") was adopted and approved on 11 January 2013 and amended 4 November 2014, 14 March 2017 and 12 November 2018.

GENERAL

1. MANDATE

The mandate of the Committee is to:

(a) monitor the integrity, credibility and objectivity of the Company's financial reporting;

(b) oversee and monitor the Company's internal control over financial reporting;

(c) review with the External Auditor and the Company's management the arrangements for, and scope of, each proposed audit of the accounting records, and report to the Board any significant reservations the Committee or the External Auditor may have about such arrangements;

(d) review, prior to submission to the Board, all financial information, budgets, cash flow projections and financial statements of the Company, and the External Auditor's report thereon;

(e) review the financial position and financing activities of the Company, prior to recommendation to the Board;

(f) provide oversight for the Company with its compliance with legal and regulatory requirements; and

(g) provide oversight of the External Auditor's qualifications, independence and performance, and evaluate the performance of the External Auditor including reviewing their fees and making recommendations to the Board in this respect.

2. DEFINITIONS AND INTERPRETATION

2.1 In this Charter:

(a) "**CFO**" means the Chief Financial Officer of the Company or, in the case the Company does not have a Chief Financial Officer, the officer of the Company performing similar functions to those of a Chief Financial Officer;

(b) "**Chair**" means the chair of the Committee;

(c) "**Director**" means a member of the Board;

(d) "**External Auditor**" means the Company's independent auditor;

(e) "**Financially Literate**" shall have the meaning ascribed to it under s. 1.6 of NI 52-110, being that an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements;

(f) “**Independent**” shall have the meaning ascribed to it under s. 1.4 and s. 1.5 of NI 52-110; and

(g) “**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

COMPOSITION AND FUNCTIONS OF THE COMMITTEE

3. COMPOSITION

3.1 Appointment and Removal of Members of the Committee

(a) *Board Appoints Members*. The members of the Committee shall be appointed by the Board.

(b) *Annual Appointments*. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed. In addition, the Board may appoint additional members on an *ad hoc* basis as required.

(c) *Vacancies*. The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors.

(d) *Removal of Member*. Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.2 Number of Members

The Committee shall consist of three or more Directors as determined by the Board.

3.3 Independence of Members

Subject to the exemptions in NI 52-110, each member of the Committee shall be Independent for the purposes of all applicable regulatory and stock exchange requirements and in such regard shall have no direct or indirect material relationship with the Company. For greater certainty, no officers or employees of the Company, its parent or its subsidiaries shall serve on the Committee.

3.4 Financial Literacy

Subject to the exemptions in NI 52-110, each member of the Committee shall be Financially Literate or must become Financially Literate within a reasonable period of time after his or her appointment to the Committee.

4. COMMITTEE CHAIR

4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee or, if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members.

4.2 Chair to be Appointed Annually

The designation of the Committee’s Chair shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

4.3 Chair Duties

The Chair of the Committee is responsible for managing the process of the Committee and ensuring that the Committee effectively discharges the responsibilities set out in the Charter of the Committee. The responsibility of the Chair includes:

(a) Working with the Chair of the Board to set annual meeting schedules for the Committee;

(b) Establishing objectives for the Committee;

(c) Establishing the agenda for each meeting and ensuring that appropriate materials are distributed to Committee members prior to Committee meetings;

(d) Chairing meetings of the Committee and ensuring that the Committee is working in compliance with its Charter and discharging its mandate;

(e) Communicating with Committee members between meetings when necessary;

(f) Jointly with the CFO, overseeing access to and use of additional internal and external audit resources;

(g) Managing the services provided by the External Auditor to the Company;

(h) Ensuring that minutes of each Committee meeting accurately reflect the actions and decisions of the Committee;

(i) Reporting to the Board as spokesperson for the Committee; and

(j) Evaluating the contribution of each Committee member as well as the effectiveness of the Committee.

5. COMMITTEE MEETINGS

5.1 Quorum

A majority of the members of the Committee shall constitute a quorum. Members of the Committee may participate in any meeting by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating by any such means shall be deemed to be present at that meeting.

5.2 Secretary

The Corporate Secretary of the Company shall be the Secretary of the Committee meetings, provided that if the Corporate Secretary is not present, the Chair of the meeting may appoint a secretary for the meeting with the consent of the Committee members who are present.

5.3 Time and Place of Meetings

The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings provided that the Committee shall meet at least four times in each fiscal year and at least once in every fiscal quarter. The Committee shall have the authority to convene additional meetings as circumstances require.

5.4 Notice of Meetings

(a) *Notice to Committee Members*. Notice of meetings shall be given to each member not less than five business days before the time of the meeting, provided that meetings of the Committee may be held without formal notice if all of the members of the Committee are present and do not object to notice not having been given, or if those absent waive notice in any manner before or after the meeting. Notice of meeting may be given verbally or delivered personally, given by mail, facsimile or other electronic means of communication and need not be accompanied by an agenda or any other material. The notice shall however specify the purpose or purposes for which the meeting is being held.

(b) *Notice to External and Internal Auditors*. Notice of a meeting shall be given to the External Auditor and/or the internal auditors of the Company if so requested by any member of the Committee, and meetings shall be convened whenever requested by the External Auditor in accordance with applicable law.

5.5 Minutes

Decisions or recommendations of the Committee shall be evidenced by resolutions passed at meetings of the Committee and recorded in the minutes of such meetings or by an instrument in writing signed by all members of the Committee. A copy of the draft minutes of each meeting of the Committee and any written resolutions evidencing decisions or recommendations of the Committee shall be transmitted promptly by the Secretary to each member for adoption at the next meeting. The Committee shall report to the Board at each regularly scheduled Board meeting next succeeding any Committee meeting or the signing of any written resolution evidencing a decision or recommendation of the Committee.

5.6 Meetings

The Committee shall meet separately and periodically with the officers of the Company, external legal counsel, and the External Auditor. The Committee shall meet separately with the External Auditor at every meeting of the Committee at which the External Auditor is present.

5.7 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee. Any matter that the Committee does not unanimously approve will be referred to the Board for consideration.

5.8 Invitees

The Chair may invite Directors, officers and employees of the Company or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee as may be deemed appropriate.

6. RESOURCES AND AUTHORITY OF COMMITTEE

6.1 Retaining and Compensating Advisors

The Committee shall have the resources and the authority to discharge its responsibilities, including the authority, in its sole discretion, to engage, at the expense of the Company, outside consultants, independent legal counsel and other advisors and experts as it determines necessary to carry out its duties, without seeking approval of the Board or management of the Company.

6.2 Investigations

The Committee shall have the authority to conduct any investigation necessary and appropriate to fulfilling its responsibilities, and has direct access to and the authority to communicate directly with the External Auditor, the internal auditors and the General Counsel of the Company and other officers and employees of the Company.

6.3 Inspection of Books and Records

The members of the Committee shall have the right for the purpose of performing their duties to inspect all the books and records of the Company and any subsidiaries and to discuss such accounts and records and any matters relating to the financial position, risk management and internal controls of the Company with the officers and the External Auditor or internal auditors of the Company and any subsidiaries.

6.4 Mandatory Attendance

Any member of the Committee may require the External Auditor to attend any or every meeting of the Committee.

6.5 Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee.

7. REMUNERATION OF COMMITTEE MEMBERS

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

8. RESPONSIBILITIES

The Company's management is responsible for preparing the Company's financial statements and the External Auditor is responsible for auditing those financial statements annually. The Committee is responsible for overseeing the conduct of those activities by the Company's management and the External Auditor and overseeing the activities of the internal audit function. The specific responsibilities of the Committee shall include those listed below, however, these responsibilities are not meant to restrict the Committee from examining any matters related to its purpose.

9. FINANCIAL REPORTING PROCESS AND FINANCIAL STATEMENTS

The Committee shall:

(a) in consultation with the External Auditor and management review the integrity of the Company's financial reporting process, both internal and external, and any major issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies;

(b) in accordance with the Company's Related Party Transaction Policy, and subject to the exemptions provided under such policy, review and recommend either approval or disapproval to the Board of all Related Party Transactions (as defined under such policy);

(c) review and discuss with management and the External Auditor:

(i) the preparation of the Company's annual audited financial statements and its interim unaudited financial statements, as well as the Company's annual and interim Management Discussion and Analysis ("**MD&A**");

(ii) whether the financial statements present fairly (in accordance with generally accepted accounting principles) in all material respects the financial condition, results of operations and cash flows of the Company as of and for the periods presented;

(iii) any matters required to be discussed with the External Auditor according to generally accepted auditing standards; and

(iv) an annual report by the External Auditor describing:

(A) all critical accounting policies and practices used by the Company;

(B) all material alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the External Auditor; and

(C) other material written communications between the External Auditor and management;

(d) following completion of the annual audit, review with each of:

(i) management; and

(ii) the External Auditor

any significant issues, concerns or difficulties encountered during the course of the audit;

(e) review the annual financial statements and reports (including annual MD&A) of the Company and any other documents including earnings press releases and press releases containing financial information of the Company that is likely to be material and recommend approval thereof to the Board prior to the submission of such documents to the applicable securities regulatory authorities;

(f) review the interim financial statements and reports (including interim MD&A) of the Company and recommend approval thereof to the Board prior to the submission of such documents to the applicable securities regulatory authorities;

(g) resolve disagreements between management and the External Auditor regarding financial reporting; and

(h) review disclosure procedures with the Disclosure Committee established under the Company's Disclosure Policy, and be satisfied that adequate procedures are in place for the review of the public disclosure of financial information by the Company extracted or derived from the Company's financial statements, other than the disclosure referred to in the preceding paragraphs, and periodically assess the adequacy of those procedures.

10. EXTERNAL AUDITOR

The Committee shall:

(a) require the External Auditor to report directly to the Committee;

(b) be directly responsible for the selection, nomination, compensation, retention, termination and oversight of the work of the External Auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and in such regard recommend to the Board the External Auditor to be nominated for approval by the shareholders;

(c) approve all audit engagements and pre-approve the provision by the External Auditor of all non-audit services, including fees and terms for all audit engagements and non-audit engagements, and in such regard the Committee may establish the types of non-audit services the External Auditor shall be prohibited from providing and shall establish the types of audit, audit-related and non-audit services for which the Committee will retain the External Auditor. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services, provided that any such delegated pre-approval shall be exercised in accordance with the types of particular non-audit services authorized by the Committee to be provided by the External Auditor and the exercise of such delegated pre-approvals shall be presented to the full Committee at its next scheduled meeting following such pre-approval;

(d) review and approve the Company's policies for the hiring of partners, employees and former partners and employees of the current or former External Auditor;

(e) consider, assess and report to the Board with regard to the independence and performance of the External Auditor; and

(f) request and review the audit plan of the External Auditor as well as a report by the External Auditor to be submitted at least annually regarding: (i) the internal quality-control procedures; and (ii) any material issues raised by the External Auditor's own most recent internal quality-control review or peer review of the auditing firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the External Auditor, and any steps taken to deal with any such issues.

11. ACCOUNTING SYSTEMS AND INTERNAL CONTROLS

The Committee shall:

(a) oversee management's design and implementation of and reporting on internal controls. The Committee shall also receive and review reports from management and the External Auditor on at least an annual basis, with regard to the reliability and effective operation of the Company's accounting system and internal controls; and

(b) review at least annually the activities, organization and qualifications of the staffing of the finance function and discuss the responsibilities, budget and staffing of the internal audit function.

12. LEGAL AND REGULATORY REQUIREMENTS

The Committee shall:

(a) review significant issues relating to public disclosure and reporting, in consultation with the Disclosure Committee established under the Company's Disclosure Policy;

(b) review, prior to finalization, periodic public disclosure documents containing financial information, including the annual and interim financial statements, annual information form and MD&A and press releases and recommend approval of the foregoing to the Board prior to their disclosure or filing;

(c) review the Company's internal counsel legal compliance matters, significant litigation and other legal matters that could have a significant impact on the Company's financial statements; and

(d) assist the Board in the oversight of compliance with legal and regulatory requirements and review with internal legal counsel the adequacy and effectiveness of the Company's procedures to ensure compliance with legal and regulatory responsibilities.

13. ADDITIONAL RESPONSIBILITIES

The Committee shall:

(a) discuss policies with management with respect to risk assessment and strategies for risk management and mitigation;

(b) establish procedures and policies for (i) the receipt, retention, treatment and resolution of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the submission by Directors or employees of the Company of concerns regarding questionable accounting or auditing matters; including the creation, management and periodic review of a Whistleblower Policy;

(c) prepare and review with the Board an annual performance evaluation of the Committee; and

(d) report regularly to the Board, including with regard to matters such as the quality or integrity of the Company's financial statements, compliance with legal or regulatory requirements, the performance of the internal audit function, and the performance and independence of the External Auditor. Minutes of each meeting of the Committee shall be recorded and maintained and provided to the Board as soon as possible following the meeting.

14. LIMITATION ON THE OVERSIGHT ROLE OF THE COMMITTEE

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company for whom he or she receives financial and other information, and the accuracy of the information provided to the Company by such persons or organizations.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles in Canada and applicable rules and regulations. These are the responsibility of management and the External Auditor.

Appendix A

Rolling Agenda

No	*Agenda Item*	*Mar*	*May*	*Aug*	*Nov*
1.	Quorum and agenda	X	X	X	X
2.	Approval of the minutes of the previous meeting	X	X	X	X
3.	Matters arising from the minutes	X	X	X	X
4.	Receipt of the activity report related to internal control compliance monitoring	X			
5.	Finance update and review of the annual/interim financial statements and MD&A	X	X	X	X
6.	Receipt of reports from the External Auditor	X	X	X	X
7.	Evaluation of the External Auditor and review of the appointment or re-appointment of the External Auditor for nomination at the annual general meeting of shareholders (with recommendations to the Board)	X			
8.	Consideration of any non-audit services to be procured from the External Auditor	X	X	X	X
9.	Receipt from the Disclosure Committee of recommended changes, if any, to the Disclosure Policy (with recommendations to the Board)			X	
10.	Review of corporate risk assessment framework				X
11.	Review of related party transactions	X	X	X	X
12.	Any other business	X	X	X	X
13.	In-camera session	X	X	X	X
14.	Approval of the audited annual or interim financial statements, as applicable (with recommendations to the Board)	X	X	X	X