

CORPORATE GOVERNANCE PRACTICES

In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”), issuers are to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. The Corporation is also subject to NI 52-110, which has been adopted in each of the Canadian provinces and territories and which prescribes certain requirements in relation to audit committees.

Board Mandate

The Corporation focuses on implementing a culture of risk identification and treatment at the transactional level, which forms part of the basis for decision-making in all areas.

The Board is responsible for the stewardship and oversight of the business and affairs of the Corporation. The responsibilities and obligations of the Board are set forth in a written mandate of the Board, a copy of which is attached as Schedule “A” to this Information Circular. The Board is responsible for the governance of the Corporation. The Board and the Corporation’s management consider good corporate governance to be central to the effective and efficient operation of the Corporation. Below is a discussion of the Corporation’s approach to corporate governance.

The Board meets regularly to consider and approve the strategic objectives of the Corporation and the management plans designed to accomplish those objectives. When appropriate, key management personnel and professional advisors are invited to attend Board meetings to speak on these issues. The Board also meets as necessary to consider specific developments and opportunities as they arise, including asset acquisitions and dispositions, and financing proposals. The Board approves, among other things, all issuances of securities of the Corporation, the appointment of officers, entering into lines of credit or other significant borrowing activities, and all significant transactions. The Board considers, but has no formal policies, concerning management development and succession.

Corporate Governance and Compensation Committee

The Board has established a Corporate Governance and Compensation Committee. The members of the Corporate Governance Committee are Messrs. McComiskey, Wilson and Harris, all of whom are independent within the meaning of NI 58-101. Mr. McComiskey is the Chair of the Corporate Governance and Compensation Committee.

The Board has adopted a written charter that sets forth the responsibilities, powers and operations of the Corporate Governance and Compensation Committee, which include: (a) reviewing and determining the compensation policies of the Corporation with respect to directors, officers, employees and consultants of the Corporation; (b) proposing new nominees to the Board and for assessing directors on an ongoing basis; and (c) responding to and implementing the guidelines set forth from time to time, by any applicable regulatory authorities.

The Corporate Governance and Compensation Committee has the power to retain outside advisors as it considers necessary for the proper functioning of the committee, at the Corporation’s expense. The Corporate Governance and Compensation Committee meets at least once annually and otherwise as requested by the Board or considered desirable by the Chair of the Corporate Governance and Compensation Committee. For a more detailed discussion about the committee’s responsibilities and procedures with respect to the nomination of new directors please see “*Nomination of Directors*” below.

Independence of Members of the Board

The Board exercises its independent supervision over the Corporation’s management through a combination of formal meetings of the Board as well as informal discussions amongst the Board members. The independent directors can also hold scheduled meetings at which non-independent directors and

members of management are not in attendance. Where matters arise at Board meetings which require decision making and evaluation that is independent of management and interested directors, the meeting breaks into an in-camera session among the independent and disinterested directors.

The Board currently consists of eight (8) directors, seven (7) of whom are independent based upon the tests for independence set forth in NI 52-110. Messrs. McComiskey, Wilson, Tucker, Harris, Arbelaez Hoyos and Messes. Barker, and Morris are independent and collectively constitute 87.5% of the Board. Mr. Zúñiga-Pflücker is not independent by virtue of serving as President, Chief Executive Officer and Corporate Secretary of the Corporation.

Chair of the Board

The Chair of the Board is appointed by resolution of the Board. The Chair of the Board is Mr. McComiskey who is an independent director of PetroTal.

Among other things, responsibilities of the Chair of the Board include: chairing every Board and Shareholder meeting, encouraging free and open discussion at meetings of the Board, adopting procedures to enable the Board to conduct its work effectively and efficiently (including committee structures and composition, scheduling, and management of meetings), ensuring the boundaries between the Board and management responsibilities are respected, providing leadership to enhance Board effectiveness, developing the agenda for Board meetings, acting as liaison between the Board and management, providing the proper flow of information to the Board, providing the proper flow of information to the Board, providing feedback to the Chief Executive Officer and communicating and promoting effective relations with Shareholders and regulators.

As an independent director, Mr. McComiskey assists the Board in fulfilling its duties effectively, efficiently, and independent of management. The Chair’s role also ensures that the directors have an independent leadership contact.

Directorships in Other Reporting Issuers

A board “interlock” occurs when two or more PetroTal directors are on the board of another company. PetroTal does not restrict board interlocks but recognizes that it is important for directors to remain impartial and independent even if they have a common board membership. As of the date of this Information Circular, there are no board interlocks among Board members.

Some of PetroTal’s directors sit on boards of other public companies. None of PetroTal’s directors are “over-boarded” as currently defined by the guidelines established by either Institutional Shareholder Services, Inc. or Glass, Lewis & Co.] The following table sets out the directors of the Corporation that are presently a director of any other reporting issuers or other publicly listed companies.

<u>Name</u>	<u>Name of Reporting Issuer</u>	<u>Exchange</u>
Gavin Wilson	TAG Oil Ltd.	TSX; OTC
Dr. Roger Tucker	Africa Oil Corp.	TSX:AOI, OMX:AOI
Jonathan Reay Harris	Gulf Keystone Petroleum Ltd.	LSE

Management has implemented procedures to provide reasonable assurance of effective communication with the Corporation’s Shareholders and the public. The Corporation’s management is responsible for the issuance of press releases and communications with the financial community. The Board reviews and approves all principal continuous disclosure documents, the release of interim and annual financial statements, annual information forms, prospectuses and information circulars.

The Corporate Governance and Compensation Committee is responsible for monitoring the governance systems of the Corporation with a view to ongoing improvements, reviewing the composition of the Board and developing criteria for new Board appointments. The Corporate Governance and Compensation Committee also acts as a nominating committee for new directors, oversees and approves the Corporation's compensation plans and evaluates the overall Board effectiveness.

Board and Committee Meeting Attendance

The table below shows the record of attendance by directors at meetings of the Board and its committees during the 12-month period ended December 31, 2023.

<u>Name of Director</u>	<u>Board</u>	<u>Audit Committee</u>	<u>Corporate Governance and Compensation Committee</u>	<u>Reserves Committee</u>	<u>HSES Committee</u>
Manuel Pablo Zúñiga-Pflücker ⁽¹⁾	8/8	–	–	1/1	–
Mark McComiskey	8/8	6/6	5/5	–	–
Gavin Wilson	8/8	–	5/5	1/1	2/2
Eleanor J. Barker	8/8	6/6	–	–	–
Dr. Roger M. Tucker	8/8	–	–	1/1	2/2
Luis Carranza ⁽²⁾	0/8	1/6	–	–	–
Jon Harris	8/8	–	5/5	1/1	–
Felipe Arbelaez Hoyo ⁽³⁾	5/8	3/6 ⁽⁴⁾	–	–	1/2
Emily Morris ⁽³⁾	3/8	–	–	–	–

Notes:

- (1) Mr. Zuniga attended all committee meetings upon invitation.
- (2) Mr. Carranza ceased to be a director of PetroTal effective as of June 15, 2023.
- (3) Mr. Arbelaez Hoyo and Ms. Morris were appointed as directors of PetroTal on July 6, 2023 and October 12, 2023, respectively.
- (4) On July 11, 2023, Mr. Arbelaez Hoyo was appointed as a member of PetroTal's audit committee.

Position Descriptions

The Board has developed a written position description for the Chair of the Board and the Chief Executive Officer of the Corporation but has not developed a written position description for the Chair of the Audit Committee.

The Chair of each committee of the Board schedules meetings of the committee and organizes and presents agendas for such meetings.

The Board, in conjunction with management, sets the Corporation's annual objectives which become the objectives against which the Chief Executive Officer's performance is measured. The Board has plenary power; any responsibility which is not delegated to management or a Board committee remains with the Board.

Orientation and Continuing Education

While the Corporation does not have a formal orientation and training program, new members of the Board are provided with:

- (a) a copy of the policies and mandates of the Board and its committees and copies of the Corporation's corporate governance policies, which provides information respecting the functioning of the Board;
- (b) access to recent, publicly filed documents of the Corporation;
- (c) access to management; and
- (d) access to legal counsel in the event of any questions relating to the Corporation's compliance and other obligations, and the Corporation's Nominated Adviser for training in respect of the AIM Rules for Companies.

Members of the Board are encouraged to communicate with management, legal counsel, the Nominated Adviser and, where applicable, auditors and technical consultants of the Corporation; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Corporation's operations. Board members have full access to the Corporation's records.

Ethical Business Conduct

In establishing its corporate governance practices, the Board has been guided by applicable Canadian securities legislation and the guidelines of the TSX for effective corporate governance, including NP 58-201. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of its Shareholders, but that it also promotes effective decision making at the Board level.

Additionally, in order to encourage and promote a culture of ethical business conduct, the Board has adopted a Code of Business Conduct and Ethics (the "**Code**") wherein directors, officers and employees of the Corporation and others are provided with a mechanism by which they can raise complaints regarding financial and regulatory reporting, internal accounting controls, auditing or health, safety and environmental matters or any other matters and raise concerns about any violations of the Code in a confidential and, if deemed necessary, anonymous process. Interested Shareholders may obtain a copy of the Code upon request (free of charge) by contacting the Corporation's legal counsel at Suite 4200, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5 or by accessing the Corporation's SEDAR+ profile at www.sedarplus.ca.

The Board has instructed its management and employees to abide by the Code and to bring any breaches of the Code to the attention of the Chief Financial Officer. Compliance with the Code is monitored primarily through the reporting process within the Corporation's organizational structure.

It is a requirement of applicable corporate law that directors who have an interest in a transaction or agreement with the Corporation promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material. The Code imposes a similar disclosure requirement on all non-director representatives of the Corporation and requires such persons to report such conflict to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of a senior

executive officer, to the Audit Committee and fully inform such person or the committee, as applicable, of the facts and circumstances related to the conflict or potential conflict. The representative is prohibited from taking any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until he is authorized to do so by his reporting officer or the Audit Committee.

Whistleblower policy

The Corporation has adopted the Whistleblower Policy. The Whistleblower Policy establishes procedures that give employees or consultants of the Corporation the option to confidentially and anonymously submit any concerns regarding activity that may be considered ethically, morally or legally questionable to the chair of the Audit Committee without fear of retaliation. The Corporation's whistleblower policy is available on our website ([www. petrotalcorp.com](http://www.petrotalcorp.com)).

Nomination of Directors

The Corporate Governance and Compensation Committee has responsibility for identifying potential Board candidates. The Corporate Governance Committee assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the oil and gas industry are consulted for possible candidates. The Board has adopted a written charter setting forth the responsibilities, powers and operations of the Corporate Governance and Compensation Committee, which include considering and recommending candidates to fill new positions on the Board, reviewing candidates recommended by Shareholders, conducting inquiries into the backgrounds and qualifications of candidates, recommending the director nominees for approval by the Board and the Shareholders, considering conflicts of interests, recommending members and chairs of the committees, reviewing the performance of directors and the Board, establishing director retirement policies and establishing and implementing an orientation and education program for new members of the Board.

Audit Committee

The Audit Committee is appointed annually by the Board and is comprised of three (3) members. Ms. Barker and Messrs. McComiskey and Arbelaez Hoyo. Ms. Barker is the Chair of the Audit Committee.

The duties of the Audit Committee include: (i) reviewing, prior to release, the annual and quarterly financial statements and other financial information provided by the Corporation to regulatory authorities and the Shareholders; (ii) reviewing the effectiveness of the Corporation's internal audit function and controls; (iii) reviewing the performance of the Corporation's external auditors annually; (iv) providing an avenue for internal reporting of financial wrong doing; and (v) providing an open avenue of communication among the Corporation's auditors, senior management and the Board.

Additional details with respect to the Audit Committee can be found below under the heading "*Audit Committee*".

Reserves Committee

The members of the Reserves Committee are Messrs. Harris, Tucker, Wilson and Zúñiga-Pflücker. Dr. Tucker is the Chair of the Reserves Committee. The Reserves Committee's responsibilities include, but are not limited to meeting with the independent engineering firm commissioned to do the reserves evaluation on the Corporation's assets and discussing the conclusions of such report.

The Reserves Committee has the power to retain outside advisors as it considers necessary for the proper functioning of the committee, at the Corporation's expense. The Reserves Committee meets at least once annually and otherwise as requested by the Board or considered desirable by the Chair of the Reserves Committee.

Health, Safety, Environment and Corporate Social Responsibility Committee

The members of the Health, Safety, Environment and Corporate Social Responsibility Committee are Messrs. Wilson and Tucker. Dr. Tucker is the Chair of the HSES Committee. The HSES Committee's responsibilities include, but are not limited to: (a) reviewing health and safety policies and procedures, monitoring compliance with such policies, maintaining management systems to implement such policies, and reporting on its findings to the Board; (b) reviewing environmental activities in terms of environmental policies of the Corporation and reporting on its findings to the Board; and (c) reviewing social aspects of the Corporation's operations in terms of social responsibility policies of the Corporation and reporting on its findings to the Board.

The HSES Committee has the power to retain outside advisors as it considers necessary for the proper functioning of the committee, at the Corporation's expense. The Health, Safety, Environment and Social Committee meets at least once annually and otherwise as requested by the Board or considered desirable by the Chair of the Health, Safety, Environment and Social Committee.

Assessments

The Board is responsible to assess, on an ongoing basis, the overall performance and effectiveness of the Board, its committees and the contributions of individual directors. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review will identify any areas where the directors of the Corporation or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation. The Board is also responsible for regularly assessing the effectiveness and contribution of each director, having regard to the competencies and skills each director is expected to bring to the Board. The Board relies on informal evaluations of the effectiveness through both formal and informal communications with Board members and through participation with other Board members on committees and matters relating to the Board.

The Corporate Governance and Compensation Committee evaluates the overall Board effectiveness. Each year, the Corporate Governance and Compensation Committee assesses the contributions of individual directors in reviewing the performance of directors and the Board with a view to ongoing improvements, reviewing the composition of the Board and developing criteria for new Board appointments.

Director Term Limits and Other Mechanisms of Board Renewal

PetroTal does not have a term limit or retirement policy for directors or other mechanisms of board renewal because:

- the imposition of director term limits on a Board implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination;
- the Corporation has found that having long-standing directors on its Board does not negatively impact board effectiveness, and instead contributes to boardroom dynamics such that the Corporation has for many years had a consistently high performing Board;
- it is important to ensure that directors with significant and unique business experience in the Corporation's industry be retained;
- the impositions of rigid, prescribed term limits on the tenure of directors implies that boards cannot properly govern themselves, by usurping core functions of the Board and replacing them with fixed criteria that may not adequately represent the interests of Shareholders;
- it is important to retain directors who hold significant investments in the Corporation, such that their interests are aligned with the interests of the Corporation's Shareholders;

- directors with the level of understanding of the issuer's business, history and culture acquired through long service on the Board provide additional value;
- term limits run the risk of acting as a substitute for proper Board self-assessment and renewal;
- the Corporation takes the view that term limits are an arbitrary mechanism for removing directors which can result in valuable, experienced directors being forced to leave the Board solely because of length of service. It is in the best interest of the Corporation not to have a mandatory retirement requirement for directors;
- it is the Corporation's view that the Board should reflect a balance between the experience and learning that comes with longevity of service on the Board and the need for renewal and fresh perspectives;
- while term limits can help ensure the Board gains fresh perspective, imposing this restriction means the Board would lose the contributions of longer serving directors who have developed a deeper knowledge and understanding of the Corporation over time. The Board does not believe that long tenure impairs a director's ability to act independently of management; and
- the Board believes that term limits have the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations and thereby provide an increasing contribution to the Board as a whole.

Instead, the Corporation believes that directors should be assessed based on their ability to continue to make a meaningful contribution. The Board's priorities continue to be ensuring the appropriate skill sets are present amongst the Board to optimize the benefit to the Corporation. The Corporation believes that annual elections by the Shareholders are a more meaningful way to evaluate the performance of directors and to make determinations about whether a director should be removed due to under-performance.

Board and executive team diversity

PetroTal is committed to maintaining a qualified and knowledgeable Board and considers a variety of diversity criteria in bringing expertise and perspectives to the Board. The Board considers diversity in terms of gender, age, ethnicity, business experience, professional expertise, personal skills, and stakeholder perspectives.

Policies Regarding the Representation of Women on the Board

PetroTal has not adopted a written diversity policy relating to the identification and nomination of women as director candidates for election to the Board. The Corporation has not adopted such a policy because the Board generally considers diversity of race, ethnicity, gender, age, cultural background, and professional experience in evaluating candidates for Board membership. While the Board generally considers the level of representation of its members, PetroTal does not believe that a formal policy, will necessarily result in the identification or selection of the best candidates.

The Board may consider the adoption of such a policy in the future if it deems it to be in the best interests of the Corporation.

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

When appointing individuals as potential candidates for election or re-election to the Board, the Corporate Governance and Compensation Committee does not specifically consider the level of representation of women on the Board. The Corporate Governance and Compensation Committee is focused on finding the

most qualified individuals available to fill perceived needs on the Board for required skills, expertise, independence and other factors regardless of gender, race, ethnicity, age or cultural background, that will complement the Board and assist in providing strong stewardship for the Corporation.

Consideration of the Representation of Women in the Executive Officer Appointments

When appointing individuals as potential for executive officer positions, the Board considers the level of representation of women in executive officer positions. In considering individuals as executive officers, the Board at all times seeks the most qualified persons, regardless of gender, race, ethnicity, age or cultural background while taking into account the competencies, skills and personal and other diverse qualities required for new executive officers in order to add value to the Corporation in light of opportunities and risks facing the Corporation.

Targets regarding the Representation of Women on the Board and in Executive Officer Positions

The Corporation does not have any targets that specifically require the identification, consideration, nomination or appointment of women as Board nominees or for executive officer positions because the Corporate Governance and Nominating Committee generally identifies, evaluates and recommends candidates that, as a whole, consist of individuals with various and relevant career experience, industry knowledge and experience, and financial and other specialized experience, while taking diversity, including gender diversity, into account. In selecting a director nominee or an executive officer candidate, the Corporation considers the skills, expertise and background that would complement the existing Board or existing management team, as applicable. Directors and executive officers will be recruited based on their ability and contributions.

Number of Women on the Board and in Executive Officer Positions

As of the date hereof, there are two (2) women on the Board, representing 25% of the total number of directors on the Board. None of the four (4) executive officers of the Corporation of the total number of executive officers of the Corporation in 2023 are women. In the broader leadership group consisting of officers and managers, 6 of 26 are female.

AUDIT COMMITTEE

The Audit Committee is a committee of the Board to which the Board delegates its responsibility for oversight of the financial reporting process. The Audit Committee is also responsible for managing, on behalf of the Shareholders, the relationship between the Corporation and the external auditor.

Pursuant to NI 52-110, the Corporation is required to disclose certain information with respect to its Audit Committee, as summarized below.

Audit Committee Charter

The Corporation's Audit Committee charter (the "**Audit Committee Charter**") was adopted by the Board, and is attached as Schedule "E" to the information circular of the Corporation dated May 3, 2023, which is available free of charge under the Corporation's SEDAR+ profile at www.sedarplus.ca or by contacting the Corporation's legal counsel at Suite 4200, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5. The mandate of the Audit Committee is to oversee and provide assistance in financial reporting, financial policies and internal controls as well as to work with the external auditors to ensure the accuracy of the Corporation's financial disclosures. The Audit Committee must pre-approve all non-audit services to be provided by an external auditor.

Composition of the Audit Committee

As of the date hereof, the Audit Committee is comprised of:

<u>Name of Director</u>	<u>Independent (Yes/No)⁽¹⁾</u>	<u>Financially Literate (Yes/No)</u>
Eleanor Barker (Chair)	Yes	Yes
Mark McComiskey	Yes	Yes
Felipe Arbelaez Hoyo	Yes	Yes

Note:

(1) As defined in NI 52-110.

Relevant Education and Experience

Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter.

Ms. Barker has over 26 years' experience in the international oil and gas business. Ms. Barker is currently the President of Barker Oil Strategies Inc., an oil and gas investment and consulting company. Ms. Barker was previously a director of Sterling Resources Ltd., the U.S. National Association of Petroleum Investment Analysis and the former President of the Canadian Association of Investment Analysts. Ms. Barker has held roles with Imperial Oil Limited and Gulf Canada Limited. Ms. Barker holds an Honours B.Sc. in Chemistry from Queen's University in Canada and an MBA from the University of Western Ontario.

Mr. McComiskey is a partner at AVAIO Capital, a firm that focuses on value-added infrastructure investment and that spun-out of AECOM in 2019. Prior to AVAIO, Mr. McComiskey was a partner at Prostar Capital's energy business and its successor firm, Vanwall Capital, LLC. Prior to Prostar, he was Co-Head of Private equity at First Reserve, a private equity firm focused on the energy industry. Mr. McComiskey holds a Juris Doctor degree from Harvard University and an AB degree in economics from Harvard College.

Mr. Arbelaez Hoyos is currently the Senior Vice President Hydrogen and Carbon Capture Systems for BP Energy in London. Mr. Arbelaez Hoyos is a Mechanical Engineer with a Masters in both Mechanical Engineering and Finance.

Each member of the Audit Committee has:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (a) the ability to assess the general application of those principles in connection with the accounting for estimates, accruals and provisions;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Corporation's external auditors, and approve in advance the provision of services other than audit services and to consider the

independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve any non-audit services or additional work, which the Chair of the Audit Committee deems as necessary.

External Auditor Service Fees by Category

The fees for auditor services billed by the Corporation’s external auditors for the last two fiscal years are as follows:

Financial Year Ending December 31	Audit Fees (\$)	Audit-related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
2023	279,545	-	-	36,293
2022	253,455	-	-	-
2021	229,304	-	-	-

Environment, Social and Governance (“ESG”)

PetroTal is committed to providing a sustainable business plan that delivers meaningful opportunities for stakeholders, which includes dedicating: attention, consideration and resources to environmental stewardship and social responsibility, with a commitment to safety, ethics and transparency. 2021 marked a significant step forward in terms of ESG reporting and standards achieved, as the Corporation began calibrating its reporting to the Global Reporting Initiative and the Sustainability Accounting Standards Board frameworks, as well as for the United Nations’ Sustainable Development Goals. This committee has periodic meetings to discuss the ESG impact of PetroTal’s existing and proposed operations, and it is instrumental in reviewing the Corporation’s annual sustainability report. 2022 marked another significant step forward in terms of ESG reporting and standards achieved, aligning key projects with United Nations’ Sustainable Development Goals and improving the quality of life for many Peruvians. The Corporation took guidance from globally accepted frameworks in the preparation of its 2022 Sustainability Report, accessible on the website at <https://petrotal-corp.com/sustainability/>.

Some of the key ESG achievements related to governance in 2021 and 2022 include:

- Revised long-term incentive compensation to include ESG performance targets for emissions reductions and Indigenous workforce participation.
- Increased production from zero to over 25,000 bopd in just five (5) years.
- Improved Board diversity in 2022.
- Enhanced governance for the Corporation with the addition of two new independent Board members with significant leadership experience in Peru and the international oil and gas industry.
- Implemented board committee workplans to ensure effective execution and transparency at the board and committee levels.
- Distributed economic value in Peru of \$92.7 million in 2022 encompassing operating costs, salaries and benefits, payments to government and community investments including amounts related to the 2.5% development fund created by PetroTal in late 2021.
- Continue to assess climate change related opportunities which include but are not limited to:
 - An evaluation of the Bretana oilfield’s geothermal energy generation potential.
 - A power generation evaluation with bi-fuel (bring LNG to site to reduce/substitute oil and diesel consumption).
 - An evaluation to generate power from the river by using river turbines.

- A diesel to solar panel transition at the Bretana oilfield and nearby communities;
 - A field wide reduction of flare gas from gas to power investments in infrastructure; and,
 - A carbon sequestration project partnership with Servicio Nacional de Areas Naturales Protegidas that utilizes peat bogs in the Pacaya Samiria National Reserve adjacent to the field.
- Improvement of the Corporation's climate change goals in 2022 by reiterating a 40% reduction of greenhouse gases of scope 1 and 2 by 2030, which aligns with Peru's environmental targets
 - A reduction in 2022 scope 1 emissions intensity to a peer leading 6.96 kg CO₂eq/bbl from 11.40 kg CO₂eq/bbl in 2021, with significant opportunities in future years for reduction through technology and operating innovation.
 - A commitment to local value creation with a strong Peruvian workforce irrespective of race, disability, sexual orientation, or age.
 - No fatalities or work related near misses during 2022 despite total number of hours worked increasing to nearly 2.8 million in 2022 from 2.1 million in 2021 by employees and contractors.

PetroTal was awarded two ESG awards, first in biodiversity conservation for its Biodiversity Monitoring Program and the second, for its Fishing Innovation Program in the Puinahua District, both from the Peruvian National Mining, Oil and Energy Society.

Board Oversight of ESG Matters

PetroTal seeks to foster the creation of value through our operations while conducting business and interacting with employees, independent contractors, lessees, clients, suppliers, governmental entities, the public, our communities, and other stakeholders in a responsible and ethical manner. The Board and executive officers are responsible for overseeing the strategy and conduct of the entire business. PetroTal believes that ethical behavior and good corporate leadership and governance exemplify our culture and are critical to our long-term success as a trusted operator and partner to the community.

The Health, Safety, Environment, and Corporate Social Responsibility Committee is charged with monitoring adherence to our ESG standards and with formally reviewing our performance on an ongoing basis with our Board and executive leadership. This Health, Safety, Environment, and Corporate Social Responsibility Committee has periodic meetings to discuss the ESG impact of our existing and proposed operations, and it is instrumental in reviewing the Corporation's annual sustainability report.

The Board is responsible for the overall stewardship of the Corporation and for dealing with issues that are pivotal to determining the Corporation's strategy and direction. Directly and through the appointment of certain committees, the Board has put in place an effective system for monitoring the implementation of corporate strategies. The Board is not involved in the day-to-day operations of the Corporation because the Corporation's management conducts these operations. The Board meets regularly to consider and approve the strategic objectives of the Corporation and the management plans designed to accomplish those objectives. When appropriate, key management personnel and professional advisors are invited to attend Board meetings to speak on these issues. The Board also meets as necessary to consider specific developments and opportunities as they arise, including asset acquisitions and dispositions, and financing proposals. The Board approves, among other things, all issuances of securities of the Corporation, the appointment of officers, entering into lines of credit or other significant borrowing activities, and all significant transactions. The Board considers but has no formal policies concerning management development and succession.

OVERSIGHT OF CLIMATE RISKS

Climate change is a serious threat to society, a risk that must be priced into PetroTal's activities and a cause that deserves special attention in how the Corporation manages its own environmental footprint. The Corporation endeavours to proactively identify its environmental and climate-related financial risks.

The HSES Committee, in conjunction with the Board, is responsible for identifying the principal risks of the Corporation's business and overseeing management's implementation of appropriate systems to seek to effectively monitor, manage and mitigate the impact of such risks. PetroTal is committed to conducting environmental assessments and drawing up appropriate environmental management plans and strategies for environmental protection, pollution prevention, sustainable use of resources, mitigation and adaptation to climate change, and protection of biodiversity and ecosystems according to the nature and scope of each project and operation.

The Board believes that appropriate risk management systems and methodologies are in place, to identify, assess and manage climate-related risk. The Board ensures that the directors and management have, or have access to, appropriate industry-specific climate-related expertise to understand and manage climate-related risk. In addition, climate-related risks and opportunities are integrated into the Corporation's strategic plan.

Metrics and Targets

The ability to provide accessible and cost effective environmental solutions is realized through innovation of our business processes and the environmental solutions the Corporation provides. PetroTal will work to have these accomplishments recognized both internally and externally. PetroTal anticipates its interim goals to reduce its environmental footprint will be achieved through a number of key initiatives, including those listed below.

- Gradually replacing traditional energy generation equipment and processes with renewable energy
- Implementing maintenance plans and operational controls to reduce greenhouse gas (“GHG”) emissions and eradicate flaring/burning processes in our operations.
- Inventory and reduction of methane in the operations location.
- Reducing the balance of its GHG Scope 1 and Scope 2 emissions by 2030 by 40% compared with the 2021 baseline intensity level.
- Increasing forest cover through our forest plantations or in third-party projects for carbon sequestration purposes.
- A commitment to achieving net-zero biodiversity loss by 2030, by implementing a robust flora and fauna hydrobiological monitoring program around 400 meters surrounding the area of operating influence near the Bretana oilfield.
- Aligning with the Task Force on Climate-Related Financial Disclosures framework in terms of reporting our governance structure.
- Identifying, assessing, and managing climate-related risks and their current and potential impacts.

CYBERSECURITY

PetroTal has developed a cybersecurity framework to improve its cybersecurity resilience. To address the growing threat of cyber-attacks, PetroTal invests in security initiatives that include technology, processes, resourcing, training, disaster recovery and regular testing and benchmarking against best practices. PetroTal also seeks to ensure that its portfolio companies have effective cybersecurity controls that are aligned with PetroTal's best practice cybersecurity policies and standards.

In addition, the Board, either directly or through the Audit Committee, oversees and monitors, the Corporation's risks relating to information technology, systems, and security, including in relation to cybersecurity. The Board, oversees and reviews PetroTal's assessment of cybersecurity risks relating to information technology and systems and its cybersecurity programs and cyber-resiliency practices and related identification, protection, detection and response measures, including the steps that management has taken to monitor, control and respond to such exposures. The Audit Committee also receives periodic briefings on information technology and cyber threats, and regularly briefs the Board on these matters in order to enhance our directors' literacy on information technology and cyber issues.

In 2023, PetroTal did not experience any material cybersecurity breach.

ADDITIONAL INFORMATION

Financial information of the Corporation is provided in the Corporation's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year. A copy of these documents may be obtained by mailing a request to the Corporation at its offices at Suite 310, 16200 Park Row, Houston, Texas 77084.

Copies of these documents, as well as additional information relating to the Corporation contained in documents filed by the Corporation with the Canadian securities regulatory authorities, may also be accessed through the SEDAR+ website at www.sedarplus.ca.

SCHEDULE A

BOARD OF DIRECTORS MANDATE

A. GENERAL

The Board of Directors (the “**Board**”) of PetroTal Corp. (the “**Corporation**”) is responsible for the stewardship of the Corporation’s affairs and the activities of management of the Corporation in the conduct of day to day business, all for the benefit of its shareholders.

The primary responsibilities of the Board are:

- (a) to maximize long term shareholder value;
- (b) to approve the strategic plan of the Corporation;
- (c) to ensure that processes, controls and systems are in place for the management of the business and affairs of the Corporation and to address applicable legal and regulatory compliance matters;
- (d) to maintain the composition of the Board in a way that provides an effective mix of skills and experience to provide for the overall stewardship of the Corporation;
- (e) to ensure that the Corporation meets its obligations on an ongoing basis and operates in a safe and reliable manner; and
- (f) to monitor the performance of the management of the Corporation to ensure that it meets its duties and responsibilities to the shareholders.

B. COMPOSITION AND OPERATION

The number of directors shall be not less than the minimum and not more than the maximum number specified in the Corporation’s articles and shall be set from time to time within such limits by resolutions of the shareholders or of the Board as may be permitted by law. Directors are elected to hold office for a term of one year. The Board will analyze the application of the “independent” standard as such term is referred to in National Instrument 58-101-*Disclosure of Corporate Governance Practices*, to individual members of the Board on an annual basis and disclose that analysis. The Board will in each year appoint a chairperson of the Board (the “**Chair**”).

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees of the Board and determining compensation for the directors. Subject to the articles and by-laws of the Corporation and the *Business Corporations Act (Alberta)* (the “**ABCA**”), the Board may constitute, seek the advice of, and delegate certain powers, duties and responsibilities to, committees of the Board.

C. MEETINGS

The Board shall have a minimum of four regularly scheduled meetings per year. Special meetings are called as necessary. Occasional Board trips are scheduled, if possible, in conjunction with regular Board meetings, to offer directors the opportunity to visit sites and facilities at different operational locations. A quorum for a meeting of the Board shall consist of a simple majority of the members of the Board.

The Board will schedule executive sessions where directors meet with or without management participation at each regularly-scheduled meeting of the Board.

D. SPECIFIC DUTIES

(a) Oversight and Overall Responsibility

In fulfilling its responsibility for the stewardship of the affairs of the Corporation, the Board shall be specifically responsible for:

- (i) providing leadership and direction to the Corporation and management with the view to maximizing shareholder value. Directors are expected to provide creative vision, initiative and experience in the course of fulfilling their leadership role;
- (ii) satisfying itself as to the integrity of the Chief Executive Officer (the “**CEO**”) and other senior officers of the Corporation and ensuring that a culture of integrity is maintained throughout the Corporation;
- (iii) approving the significant policies and procedures by which the Corporation is operated and monitoring compliance with such policies and procedures, and, in particular, compliance by all directors, officers and employees with the provisions of the Code of Business Conduct and Ethics;
- (iv) reviewing and approving material transactions involving the Corporation, including the acquisitions and dispositions of material assets by the Corporation and material capital expenditures by the Corporation;
- (v) approving budgets, monitoring operating performance and ensuring that the Board has the necessary information, including key business and competitive indicators, to enable it to discharge this duty and take any remedial action necessary;
- (vi) establishing methods by which interested parties may communicate directly with the Chair or with the independent directors as a group and cause such methods to be disclosed;
- (vii) developing written position descriptions for the Chair and for the chair of each Board committee; and
- (viii) making regular assessments of the Board and its individual members, as well as the effectiveness and contributions of each Board committee.

(b) Legal Requirements

- i) The Board has the oversight responsibility for meeting the Corporation’s legal requirements and for properly preparing, approving and maintaining the Corporation’s documents and records.
- ii) The Board has the statutory responsibility to:
 - (1) manage the business and affairs of the Corporation;
 - (2) act honestly and in good faith with a view to the best interests of the Corporation;
 - (3) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
 - (4) act in accordance with its obligations contained in the ABCA and the regulations thereto, the articles and by-laws of the Corporation, and other relevant legislation and regulations.

- iii) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
- (1) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - (2) the filling of a vacancy among the directors or in the office of auditor;
 - (3) the appointment of additional directors;
 - (4) the issuance of securities except in the manner and on the terms authorized by the Board;
 - (5) the declaration of dividends;
 - (6) the purchase, redemption or any other form of acquisition of shares issued by the Corporation, except in the manner and on the terms authorized by the Board;
 - (7) the payment of a commission to any person in consideration of such person's purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any shares of the Corporation;
 - (8) the approval of management proxy circulars;
 - (9) the approval of any financial statements to be placed before the shareholders of the Corporation at an annual general meeting; and
 - (10) the adoption, amendment or repeal of any by-laws of the Corporation.

(c) Independence

The Board shall have the responsibility to:

- i) implement appropriate structures and procedures to permit the Board to function independently of management (including, without limitation, through the holding of meetings at which non-independent directors and management are not in attendance, if and when appropriate);
- ii) implement a system which enables an individual director to engage an outside advisor at the expense of the Corporation in appropriate circumstances; and
- iii) provide an orientation and education program for newly appointed members of the Board.

(d) Strategy Determination

The Board shall:

- i) adopt and annually review a strategic planning process and approve the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the Corporation's business; and
- ii) annually review operating and financial performance results relative to established strategy, budgets and objectives.

(e) Managing Risk

The Board has the responsibility to identify and understand the principal risks of the Corporation's business, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that appropriate systems are in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation.

(f) Appointment, Training and Monitoring of Senior Management

The Board shall:

- i) appoint the CEO and other senior officers of the Corporation, approve (upon recommendations from the Corporate Governance and Compensation Committee) their compensation, and monitor and assess the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value;
- ii) ensure that a process is established that adequately provides for succession planning including the appointment, training and monitoring of senior management;
- iii) establish limits of authority delegated to management; and
- iv) develop a written position description for the CEO.

(g) Reporting and Communication

The Board has the responsibility to:

- i) verify that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally;
- ii) verify that the financial performance of the Corporation is reported to shareholders, other security holders and regulators on a timely and regular basis;
- iii) verify that the financial results of the Corporation are reported fairly and in accordance with International Financial Reporting Standards from time to time;
- iv) verify the timely reporting of any other developments that have a significant and material impact on the value of the Corporation;
- v) report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year; and
- vi) develop appropriate measures for receiving stakeholder feedback.

(h) Monitoring and Acting

The Board has the responsibility to:

- i) review and approve the Corporation's financial statements and oversee the Corporation's compliance with applicable audit, accounting and reporting requirements;
- ii) verify that the Corporation operates at all times within applicable laws and regulations to the highest ethical and moral standards;
- iii) approve and monitor compliance with significant policies and procedures by which the Corporation operates;

- iv) monitor the Corporation's progress towards its goals and objectives and to work with management to revise and alter its direction in response to changing circumstances;
- v) take such action as it determines appropriate when the Corporation's performance falls short of its goals and objectives or when other special circumstances warrant; and
- vi) verify that the Corporation has implemented appropriate internal control and management information systems.

(i) Other Activities

The Board may perform any other activities consistent with this mandate, the articles and by-laws of the Corporation and any other governing laws as the Board deems necessary or appropriate including, but not limited to:

- i) preparing and distributing the schedule of Board meetings for each upcoming year;
- ii) calling meetings of the Board at such time and such place and providing notice of such meetings to all members of the Board in accordance with the by-laws of the Corporation; and
- iii) ensuring that all regularly-scheduled Board meetings and committee meetings are properly attended by directors. Directors may participate in such meetings by conference call if attendance in person is not possible.

(j) Code of Business Conduct and Ethics

The Board shall be responsible to adopt a "Code of Business Conduct and Ethics" for the Corporation which shall address:

- i) conflicts of interest;
- ii) the protection and proper use of the Corporation's assets and opportunities;
- iii) the confidentiality of information;
- iv) fair dealing with various stakeholders of the Corporation;
- v) compliance with laws, rules and regulations; and
- vi) the reporting of any illegal or unethical behaviour.

E. BOARD COMMITTEES

The Board shall at all times maintain: (a) an Audit Committee; (b) a Reserves Committee; (c) a Corporate Governance and Compensation Committee; and (d) a Health, Safety, Environment and Social Committee, each of which must report to the Board. Each such committee must operate in accordance with the by-laws, applicable law, its committee charter and the applicable rules of any stock exchange on which the shares are traded. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by its by-laws and applicable law, and as the Board sees fit. The purpose of the Board committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for matters assigned to the committees for determination. Except as may be explicitly provided in the charter of a particular committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board with respect to the approval of matters considered by the committee.

F. DIRECTOR ACCESS TO MANAGEMENT

The Corporation shall provide each director with complete access to the management of the Corporation, subject to reasonable advance notice to the Corporation and reasonable efforts to avoid disruption to the Corporation's management, business and operations. Prior to any director of the Corporation initiating a discussion with any employee of the Corporation, including management, such director shall have the obligation to provide notice to the Chair and the Chief Executive Officer of the Corporation that the director intends on initiating such a discussion.

G. DIRECTOR COMPENSATION

The Board, upon recommendation of the Corporate Governance and Compensation Committee, will determine and review the form and amount of compensation to directors.