

BIRCHCLIFF

ENERGY

BIRCHCLIFF ENERGY LTD.

Annual and Special Meeting of Shareholders

to be held at

**3:00 p.m. (Mountain Daylight Time) on Thursday, May 11, 2023
in the McMurray Room at the Calgary Petroleum Club
319 – 5th Avenue S.W., Calgary, Alberta**

NOTICE OF MEETING AND INFORMATION CIRCULAR

BIRCHCLIFF

ENERGY

BIRCHCLIFF ENERGY LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual and special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Birchcliff Energy Ltd. (the “**Corporation**”) will be held at 3:00 p.m. (Mountain Daylight Time) on Thursday, May 11, 2023 in the McMurray Room at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta, for the following purposes:

1. to receive the annual audited financial statements of the Corporation for the financial year ended December 31, 2022 and the auditor’s report thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at five;
3. to elect the directors of the Corporation;
4. to appoint the auditors of the Corporation and to authorize the board of directors of the Corporation to fix their remuneration as such;
5. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution approving all unallocated stock options under the Corporation’s stock option plan; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the information circular accompanying this notice.

A Shareholder may attend the Meeting in person or may be represented by proxy. Registered Shareholders who are unable to attend the Meeting, or any adjournment or postponement thereof, in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the enclosed form of proxy must be dated, signed and deposited with the Corporation’s registrar and transfer agent, Computershare Trust Company of Canada, Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. Registered Shareholders may also use the internet at www.investorvote.com or the telephone at 1-866-732-8683 to vote their Common Shares. Registered Shareholders voting through the internet or by telephone will be prompted to enter the 15-digit control number found on the form of proxy. In order to be valid and acted upon at the Meeting, proxies and votes must be received by Computershare Trust Company of Canada no later than 3:00 p.m. (Mountain Daylight Time) on Tuesday, May 9, 2023, or if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjourned or postponed Meeting.

Only Shareholders of record as of the close of business on March 22, 2023 (the “**Record Date**”) are entitled to receive notice of and to vote at the Meeting, provided that if a Shareholder has transferred the ownership of any of his or her Common Shares after the Record Date and the transferee of those Common Shares produces properly endorsed Common Share certificates or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included in the list of Shareholders before the Meeting, then the transferee shall be entitled to vote such Common Shares at the Meeting.

DATED at the City of Calgary, in the Province of Alberta, this 27th day of March, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “*A. Jeffery Tonken*”

Chief Executive Officer and Chairman of the Board of Directors

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BIRCHCLIFF

ENERGY

INFORMATION CIRCULAR

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 11, 2023

GENERAL PROXY AND VOTING INFORMATION

Solicitation of Proxies

This information circular (the “**Information Circular**”) dated March 27, 2023 is furnished in connection with the solicitation of proxies by the management of Birchcliff Energy Ltd. (“**Birchcliff**” or the “**Corporation**”) for use at the annual and special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares of the Corporation (“**Common Shares**”) to be held at 3:00 p.m. (Mountain Daylight Time) on Thursday, May 11, 2023 in the McMurray Room at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta, and at any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders (the “**Notice of Meeting**”).

This solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of this Information Circular and related materials will be borne by the Corporation. In addition to solicitation by mail, proxies may also be solicited by personal interviews, email, telephone or by other methods of communication, by the Corporation’s executive officers, directors and employees who will not be specifically remunerated therefor.

Conventions

Except where otherwise indicated, the information contained in this Information Circular is given as of March 27, 2023 and all dollar amounts are expressed in Canadian dollars. References herein to “**Registered Shareholders**” mean Shareholders whose names appear on the records of the registrar and transfer agent for the Corporation as the registered holders of Common Shares. References herein to “**Beneficial Shareholders**” mean Shareholders who do not hold Common Shares in their own name (i.e. Common Shares are held through a broker, financial institution or other nominee). Unless otherwise specified, the information set forth in this section “*General Proxy and Voting Information*” generally applies to Registered Shareholders. Beneficial Shareholders should refer to “*Information for Beneficial Shareholders*” in this section for information on how to vote, and if desired, attend and vote in person at the Meeting.

Appointment of Proxies

Registered Shareholders may attend and vote at the Meeting in person or vote by proxy in advance of the Meeting. Registered Shareholders who are unable to attend the Meeting, or any adjournment or postponement thereof, in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the enclosed form of proxy must be dated, signed and deposited with the Corporation’s registrar and transfer agent, Computershare Trust Company of Canada (“**Computershare**”), Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. Registered Shareholders may also use the internet at www.investorvote.com or the telephone at 1-866-732-8683 to vote their Common Shares. Registered Shareholders voting through the internet or by telephone will be prompted to enter the 15-digit control number found on the form of proxy.

In order to be valid and acted upon at the Meeting, proxies and votes received through the internet or by telephone must be received by Computershare on or before 3:00 p.m. (Mountain Daylight Time) on Tuesday, May 9, 2023, or if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjourned or postponed Meeting. The Chairman of the Meeting will have the discretion, but is not obligated, to accept proxies that are deposited less than 48 hours prior to the time of the Meeting or any adjournment or postponement thereof.

If a Registered Shareholder votes by proxy in advance of the Meeting as outlined above, such Registered Shareholder's vote will be counted, whether or not such Shareholder attends the Meeting. Even if a Registered Shareholder attends the Meeting, it may be more convenient to vote in advance.

Appointment of a Third Party as Proxyholder

The persons named as proxyholders in the enclosed form of proxy are directors and/or executive officers of the Corporation. A Shareholder has the right to appoint a person or company to attend and represent the Shareholder at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. To exercise this right, the Shareholder is required to either insert the name of the Shareholder's appointee in the blank space provided in the form of proxy or complete another appropriate form of proxy and, in either case, deliver the completed proxy to Computershare, at the place and within the time specified above for the deposit of proxies. Registered Shareholders may also use the internet at www.investorvote.com to appoint another person to be the Shareholder's proxyholder.

Revocation of Proxies

A Shareholder of the Corporation who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has submitted a proxy attends in person at the Meeting where such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing and deposited either: (i) at the registered (head) office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof; or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

Exercise of Discretion with Respect to Proxies

The Common Shares represented by proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for. If the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly, but if no specification is made, the Common Shares will be voted in favour of the matters to be acted upon as set forth herein.

If any amendment or variation to the matters identified in the Notice of Meeting is proposed or if any other matters are properly brought before the Meeting or any adjournment or postponement thereof, the enclosed form of proxy confers discretionary authority on the persons named therein to vote on any such amendment or variation or such other matters. As at the date of this Information Circular, management of the Corporation is not aware of any such amendment, variation or other matter.

Information for Beneficial Shareholders

Beneficial Shareholders should note that only proxies deposited by Registered Shareholders whose names appear on the records of the registrar and transfer agent for the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in a holder's name on the records of the Corporation. Such Common Shares will most likely be registered in the name of the holder's broker or an agent of the broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted upon instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their

clients. **Beneficial Shareholders should therefore ensure that instructions regarding the voting of their Common Shares are properly communicated to the appropriate person or that the Common Shares are duly registered in their name well in advance of the Meeting.**

Applicable regulatory policies require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to that provided to a Registered Shareholder. However, its purpose is limited to instructing the Registered Shareholder on how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form ("**VIF**") in lieu of the applicable form of proxy. The Beneficial Shareholder is requested to complete and return the VIF by mail. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or access the internet to vote the Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a form of proxy or VIF from its broker or other intermediary (or an agent or nominee of such broker or other intermediary) cannot use that form to vote Common Shares directly at the Meeting. Voting instructions must be communicated to the broker, intermediary, agent or nominee (in accordance with the instructions provided by it or on its behalf) well in advance of the Meeting in order to have the Common Shares to which such instructions relate voted at the Meeting.

The Corporation uses Broadridge to send proxy-related materials to non-objecting Beneficial Shareholders. The Corporation intends to pay for intermediaries to deliver proxy-related materials to objecting Beneficial Shareholders.

Voting at the Meeting – Appointment of Proxyholder

The following instructions apply to Beneficial Shareholders who wish to appoint as their proxyholders any person other than the persons designated in the VIF. This includes Beneficial Shareholders who wish to appoint themselves as proxyholders to attend and vote their Common Shares at the Meeting.

If you are a Beneficial Shareholder and wish to appoint as your proxyholder any person other than the persons designated in the VIF to attend and vote your Common Shares at the Meeting, you must insert your proxyholder's name in the space provided on the VIF sent to you by your intermediary and follow all of the applicable instructions provided by your intermediary. By doing so, you are instructing your intermediary to appoint your designated proxyholder as your proxyholder for purposes of the Meeting. It is important that you comply with the instructions provided by your intermediary.

Notice-and-Access

Birchcliff has elected to use the "notice-and-access" provisions (the "**Notice-and-Access Provisions**") under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* for the Meeting in respect of mailings to its Beneficial Shareholders but not in respect of mailings to its Registered Shareholders. The Notice-and-Access Provisions are rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular and related materials in respect of a meeting of its shareholders online.

Birchcliff has also elected to use procedures known as "stratification" in relation to its use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular and, if applicable, a paper copy of financial statements and related management's discussion and analysis, to some shareholders together with a notice of a meeting of its shareholders. In relation to the Meeting, Registered Shareholders and those Beneficial Shareholders with existing instructions on their account to receive paper materials will receive a paper copy of each of: (i) the Notice of Meeting and this Information Circular; (ii) a form of proxy or VIF, as applicable; and (iii) the annual financial statements and related management's discussion and analysis for the most recently completed financial year (the "**Financial Information**"). Beneficial

Shareholders without existing instructions on their account to receive paper materials will receive only a notice-and-access notification and a VIF. Furthermore, a paper copy of the Financial Information will also be mailed to those Beneficial Shareholders who previously requested to receive such paper copies from the Corporation.

Voting Securities and Principal Holders of Voting Securities

Birchcliff is authorized to issue an unlimited number of Common Shares. On March 22, 2023 (the “**Record Date**”), Birchcliff had 266,967,662 Common Shares issued and outstanding.

Only Shareholders of record as of the close of business on the Record Date are entitled to receive notice of the Meeting and to one vote at the Meeting for each Common Share held, provided that if a Shareholder has transferred the ownership of any of his or her Common Shares after the Record Date and the transferee of those Common Shares produces properly endorsed Common Share certificates or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included in the list of Shareholders before the Meeting, then the transferee shall be entitled to vote such Common Shares at the Meeting.

As at the date of this Information Circular and to the best of the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the financial year ended December 31, 2022, any proposed nominee for election as a director of the Corporation or any associate or affiliate of any of the foregoing, in any matter to be acted upon at the Meeting, other than: (i) the election of the directors; and (ii) the approval of the unallocated stock options under the Corporation’s stock option plan, to the extent such persons participate in the stock option plan.

BUSINESS OF THE MEETING

To the knowledge of the board of directors of the Corporation (the “**Board**”), the only matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting.

Financial Statements

At the Meeting, the annual audited financial statements of the Corporation for the financial year ended December 31, 2022 and the independent auditor’s report thereon will be placed before the Shareholders, but no vote by the Shareholders with respect thereto is required or proposed to be taken. The annual audited financial statements are available at www.birchcliffenergy.com and on SEDAR under Birchcliff’s company profile at www.sedar.com.

Fixing Number of Directors

The Corporation is required to have a minimum of three and a maximum of eleven directors. The Board presently consists of five directors, each of whom is proposed by management to be elected as a director at the Meeting. Accordingly, Shareholders will be asked at the Meeting to fix the number of directors of the Corporation to be elected at the Meeting at five. Information regarding the proposed nominees is set forth below under the heading “*Business of the Meeting – Election of Directors – Information Regarding Director Nominees*”.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary, to vote proxies in favour of the ordinary resolution to fix the number of directors of the Corporation to be elected at the Meeting at five.

Election of Directors

The five nominees proposed by management to be elected as directors at the Meeting are Dennis Dawson, Debra Gerlach, Stacey McDonald, James Surbey and Jeff Tonken, all of whom are currently serving on the Board. Pursuant to the *Business Corporations Act* (Alberta) (the “**ABCA**”), the current directors of the Corporation will cease to hold office at the close of the Meeting. Each person elected as a director of the Corporation will hold office until the close of the next annual meeting of Shareholders or until their successor is elected or appointed. All of the proposed nominees have consented to be named in this Information Circular and to serve as directors, if elected.

Voting for the election of the directors will be conducted on an individual, and not slate, basis.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary, to vote proxies in favour of the election of each of the nominees listed herein as directors of the Corporation.

The Corporation will publicly disclose the voting results, providing the percentage of the votes for and withheld from voting for each individual director.

Majority Voting for Directors

The Board has adopted a majority voting policy (the “**Majority Voting Policy**”) applicable only to uncontested elections stipulating that if, with respect to any particular nominee for election as a director, the number of votes “for” the nominee does not exceed the number of votes recorded “withheld” from voting for such nominee, then such nominee shall promptly following certification of the Shareholder vote, submit to the Board his or her resignation effective upon the acceptance thereof by the Board. The Nominating Committee shall consider any resignation tendered pursuant to the Majority Voting Policy and make a recommendation to the Board as to whether to accept or reject such resignation. The Board will consider the Nominating Committee’s recommendation within 90 days of the applicable meeting of Shareholders. A nominee who tenders his or her resignation pursuant to the Majority Voting Policy shall not participate in any meeting of the Nominating Committee or the Board to consider such resignation, unless all of the directors received a majority of withheld votes. The Board shall cause a press release to be issued promptly by the Corporation disclosing the Board’s determination and, if the resignation is not accepted by the Board, the reasons therefor. Each resignation tendered in accordance with the Majority Voting Policy shall be accepted by the Board absent exceptional circumstances. The full text of the Majority Voting Policy is available on the Corporation’s website at <http://birchcliffenergy.com/investors/corporate-governance/>.

Advance Notice By-Law

Birchcliff has adopted an advance notice by-law (the “**Advance Notice By-Law**”), which was ratified by Shareholders at the annual and special meeting of Shareholders held on May 10, 2018. The Advance Notice By-Law fixes a deadline by which Shareholders must submit director nominations to the Corporation prior to any meeting of Shareholders at which directors are to be elected and specifies the information that a nominating Shareholder must include in the notice in order for director nominees to be eligible for nomination and election at any such meeting. The Advance Notice By-Law does not interfere with the ability of Shareholders to requisition a Shareholders’ meeting or to nominate directors by way of a Shareholder proposal, in each case in accordance with the provisions of the ABCA. Subject only to the provisions of the ABCA, applicable securities laws and the articles of the Corporation, only persons who are nominated in accordance with the procedures set out in the Advance Notice By-Law shall be eligible for election as a director of the Corporation. The Corporation has not received any nominations via the advance notice mechanism as at the date of this Information Circular. The full text of the Advance Notice By-Law is available on the Corporation’s website at <http://birchcliffenergy.com/investors/corporate-governance/>.

Information Regarding Director Nominees

The following sets forth for each person proposed to be nominated for election as a director: (i) whether they are independent; (ii) their province and country of residence and age; (iii) the period during which they have served as a director of Birchcliff or its predecessor entities; (iv) their principal occupation within the past five years and a brief biography; (v) the number of votes for and withheld from voting with respect to their election as a director at the annual meeting of Shareholders of the Corporation held on May 12, 2022; (vi) information regarding their current committee memberships and their attendance at Board and committee meetings held during 2022; (vii) the number and value of the Common Shares that they beneficially own, or control or direct, directly or indirectly, as at the date of this Information Circular; and (viii) their other public company board directorships.

DENNIS DAWSON		
Independent Lead Director	Mr. Dawson is a corporate director. He is the Chair of the Corporation's Compensation and Nominating Committees and is also a member of the Corporation's Audit, Environment, Health, Safety and Sustainability ("EHSS") and Reserves Evaluation Committees. He has over 35 years of oil and natural gas experience, including nine years as General Counsel for Pan-Alberta Gas Ltd., a major Canadian natural gas export and marketing company. Mr. Dawson was the Vice President, General Counsel and Corporate Secretary of AltaGas from December 1998 to April 2015. He first joined AltaGas as Associate General Counsel in August 1997, after consulting with AltaGas Services Inc. from July 1996. Effective July 1998, Mr. Dawson became AltaGas' General Counsel and Corporate Secretary and effective December 1998, he became Vice President, General Counsel and Corporate Secretary. Mr. Dawson holds a Bachelor of Arts degree from the University of Lethbridge and a Bachelor of Laws degree from the University of Alberta. He is a member of the Law Society of Alberta.	
Alberta, Canada		
Age: 69		
Director Since: May 14, 2015		
	Voting Results from 2022 Annual Meeting	Number of Votes
	Votes For	145,247,788
	Votes Withheld	10,452,023
		% of Votes
		93.29
		6.71
	Board and Board Committee Membership	2022 Meeting Attendance
	Board (Lead Director)	14 of 14
	Audit Committee	6 of 6
	Compensation Committee (Chair)	5 of 5
	EHSS Committee	3 of 3
	Nominating Committee (Chair)	1 of 1
	Reserves Evaluation Committee	4 of 4
	Birchcliff Ownership	Number
	Common Shares	135,216 ⁽¹⁾
		Value
		\$1,056,037 ⁽²⁾
	Other Public Board Directorships	
	None	

DEBRA GERLACH

Independent Director

Alberta, Canada

Age: 62

Director Since:
November 8, 2017

Ms. Gerlach is a corporate director. She is the Chair of the Corporation's Audit Committee and is also a member of the Corporation's Compensation, EHSS, Nominating and Reserves Evaluation Committees. Ms. Gerlach was a partner with Deloitte LLP from September 1996 to September 2017, where she practiced in the Assurance and Advisory group. Prior thereto, she held various positions within Deloitte LLP from the time she joined the firm in August 1982. During her 35-year career with the firm, Ms. Gerlach worked with numerous public oil and natural gas companies. She is also currently a director of Peyto Exploration & Development Corp., a publicly traded oil and natural gas company, where she is a member of the Audit, Reserves, Health, Safety and Environment and Compensation and Nominating Committees. Ms. Gerlach holds a Bachelor of Commerce degree and a Master of Business Administration degree from the University of Calgary. She also holds an Audit Committee Certificate from the Chartered Professional Accountants of Canada. Ms. Gerlach is a Chartered Accountant with the Chartered Professional Accountants of Alberta.

Voting Results from 2022 Annual Meeting	Number of Votes	% of Votes
Votes For	151,417,758	97.25
Votes Withheld	4,282,053	2.75
Board and Board Committee Membership	2022 Meeting Attendance	
Board	14 of 14	100%
Audit Committee (Chair)	6 of 6	100%
Compensation Committee	5 of 5	100%
EHSS Committee	3 of 3	100%
Nominating Committee	1 of 1	100%
Reserves Evaluation Committee	4 of 4	100%
Birchcliff Ownership	Number	Value
Common Shares	105,000 ⁽¹⁾	\$820,050 ⁽²⁾
Other Public Board Directorships		
Peyto Exploration & Development Corp.		

STACEY McDONALD

Independent Director

Alberta, Canada

Age: 39

Director Since:
December 14, 2018

Ms. McDonald is a corporate director and an independent businessperson. She is the Chair of the Corporation's EHSS Committee and is also a member of the Corporation's Audit, Compensation, Nominating and Reserves Evaluation Committees. She has over 15 years of experience in the energy and financial sectors. From September 2016 to July 2018, Ms. McDonald was a Managing Director – Institutional Equity Research (Energy) at GMP FirstEnergy and its predecessor, GMP Securities, independent global investment banks. She joined GMP Securities in February 2006 as a research associate and began publishing independently as an Equity Analyst in 2009. She is also currently a director of Bonterra Energy Corp., a publicly traded oil and natural gas company, where she is the Chair of the Reserves Committee and is also a member of the Audit, Compensation and Governance and Nominating Committees. Ms. McDonald holds a Bachelor of Commerce degree in Finance from the University of Alberta. She is also a holder of the Institute of Corporate Directors' Director designation.

Voting Results from 2022 Annual Meeting	Number of Votes	% of Votes
Votes For	147,974,114	95.04
Votes Withheld	7,725,697	4.96
Board and Board Committee Membership	2022 Meeting Attendance	
Board	14 of 14	100%
Audit Committee	6 of 6	100%
Compensation Committee	5 of 5	100%
EHSS Committee (Chair)	3 of 3	100%
Nominating Committee	1 of 1	100%
Reserves Evaluation Committee	4 of 4	100%
Birchcliff Ownership	Number	Value
Common Shares	30,000 ⁽¹⁾	\$234,300 ⁽²⁾
Other Public Board Directorships		
Bonterra Energy Corp.		

JAMES SURBEY

Non-Independent Director

Alberta, Canada

Age: 72

Director Since:
May 11, 2017

Mr. Surbey is a corporate director and an independent businessperson. He is the Chair of the Corporation's Reserves Evaluation Committee. He has over 40 years of experience in the oil and natural gas industry, including in the areas of executive leadership, business development, engineering, legal, corporate governance, finance and acquisitions and divestitures. Mr. Surbey is one of the founders of Birchcliff and served as the Vice President, Corporate Development and Corporate Secretary of the Corporation and its predecessor entities from July 2004 to June 30, 2017, and remained an employee of Birchcliff until December 31, 2022. Prior to Birchcliff, he served as the Vice President, Corporate Development of Case Resources Inc., the Senior Vice President, Corporate Development of Big Bear Exploration Ltd. and the Vice President, Corporate Development of Stampeder Exploration Ltd. Mr. Surbey was previously a senior partner with the law firm Howard, Mackie (now Borden Ladner Gervais LLP). Mr. Surbey holds a Bachelor of Engineering degree and a Bachelor of Laws degree from McGill University and is a member of the Law Society of Alberta and the Society of Petroleum Engineers. He is also a member of the Alberta Securities Commission's Petroleum Advisory Committee.

Voting Results from 2022 Annual Meeting	Number of Votes	% of Votes
Votes For	138,377,979	88.87
Votes Withheld	17,321,832	11.13
Board and Board Committee Membership	2022 Meeting Attendance	
Board	14 of 14	100%
Reserves Evaluation Committee (Chair)	4 of 4	100%
Birchcliff Ownership	Number	Value
Common Shares	2,270,933 ⁽¹⁾	\$17,735,987 ⁽²⁾
Other Public Board Directorships	None	

JEFF TONKEN

Non-Independent Director,
Chairman of the Board and
Chief Executive Officer

Alberta, Canada

Age: 66

Director Since:
July 6, 2004

Mr. Tonken is the Chief Executive Officer of the Corporation. He has served as the Chairman of the Board since May 2017 and is a member of the Corporation's EHSS Committee. Mr. Tonken has over 40 years of experience in the oil and natural gas industry, including in the areas of executive leadership, finance, corporate governance, acquisitions and divestitures, business development, marketing and legal. Mr. Tonken is one of the founders of the Corporation and served as the President and Chief Executive Officer of Birchcliff and its predecessor entities from July 2004 to December 2021. Prior to Birchcliff, Mr. Tonken founded and served as the President and Chief Executive Officer of Case Resources Inc., Big Bear Exploration Ltd. and Stampeder Exploration Ltd. Prior thereto, he was a partner with the law firm Howard, Mackie (now Borden Ladner Gervais LLP). Mr. Tonken is currently the Vice Chair of the Board of Governors of the Canadian Association of Petroleum Producers (CAPP) and was the Chair in 2019. Mr. Tonken holds a Bachelor of Commerce degree from the University of Alberta and a Bachelor of Laws degree from the University of Wales. He is a member of the Law Society of Alberta.

Voting Results from 2022 Annual Meeting	Number of Votes	% of Votes
Votes For	143,825,442	92.37
Votes Withheld	11,874,369	7.63
Board and Board Committee Membership	2022 Meeting Attendance	
Board (Chairman)	13 of 14	93%
EHSS Committee	3 of 3	100%
Birchcliff Ownership	Number	Value
Common Shares	1,474,471 ⁽¹⁾	\$11,515,619 ⁽²⁾
Other Public Board Directorships	None	

(1) The information as to the number of Common Shares owned beneficially, not being within the knowledge of the Corporation, has been provided by each nominee.

(2) Value is calculated based on the number of Common Shares multiplied by the closing price of the Common Shares on the Toronto Stock Exchange (the "TSX") on March 27, 2023 of \$7.81.

Corporate Cease Trade Orders or Bankruptcies

No proposed director of the Corporation is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Corporation, that was subject to a 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, which was issued: (i) while that person was acting in such capacity; or (ii) after that person ceased to act in such capacity but which resulted from an event that occurred while that person was acting in such capacity.

No proposed director of the Corporation is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director or executive officer of any company, including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal 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.

No proposed director of the Corporation has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

Appointment of Auditors

Shareholders will be asked to pass an ordinary resolution in favour of the appointment of the firm of KPMG LLP (“KPMG”), Chartered Professional Accountants, as the auditors of the Corporation, to hold office until the close of the next annual meeting of Shareholders of the Corporation, and to authorize the Board to fix their remuneration as such. KPMG has been the auditors of the Corporation since August 2011.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary, to vote proxies in favour of the appointment of KPMG as the auditors of the Corporation and to authorize the Board to fix their remuneration as such.

The following table summarizes the fees billed to the Corporation by its auditors, KPMG, for external audit and other services for the years ended December 31, 2022 and 2021:

Fees	2022	2021
Audit Fees ⁽¹⁾	\$475,080	\$418,370
Audit-Related Fees ⁽²⁾	-	-
Tax Fees ⁽³⁾	\$22,203	\$26,221
All Other Fees ⁽⁴⁾	-	-
Total	\$497,283	\$444,591

(1) “Audit Fees” consist of fees for the audit of the Corporation’s annual financial statements and the review of the Corporation’s quarterly financial statements, as well as services that are normally provided in connection with statutory and regulatory filings or engagements.

(2) “Audit-Related Fees” consist of fees for assurance and related services that are reasonably related to the performance of the audit or the review of the Corporation’s financial statements and are not reported under the heading of “Audit Fees” above.

(3) “Tax Fees” consist of fees for professional services rendered for tax compliance, tax advice and tax planning. During 2022 and 2021, such fees related to the preparation and filing of Birchcliff’s corporate income tax returns and other tax-related work.

(4) “All Other Fees” consist of fees for products and services other than those described under the headings of “Audit Fees”, “Audit-Related Fees” and “Tax Fees” above.

Approval of Unallocated Stock Options under Stock Option Plan

The Corporation has implemented a stock option plan (the “**Stock Option Plan**”) pursuant to which stock options to purchase Common Shares (“**Options**”) may be granted to officers, directors, employees and certain service providers of the Corporation (each, an “**Optionee**”). No Options have been granted to a non-employee director since 2011. The Stock Option Plan is described under the heading “*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – The Stock Option Plan*” and a copy is attached to this Information Circular as Appendix “A”.

The Stock Option Plan is a “rolling plan” whereby the maximum number of Common Shares that may be issued under the Stock Option Plan at any time shall not exceed 10% of the aggregate number of Common Shares actually outstanding at that time, on a non-diluted basis. A “rolling plan” allows the number of Common Shares covered by Options that have been exercised to be available for subsequent grants under the Stock Option Plan. When Options have been granted pursuant to the Stock Option Plan, the Common Shares that are reserved for issuance under the outstanding Options are referred to as “allocated Options”. Additional Common Shares that may be issued pursuant to the Stock Option Plan but which are not subject to current Option grants are referred to as “unallocated Options”.

Pursuant to the rules of the TSX, every three years after institution, all unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable (which includes the Stock Option Plan), must be approved by a majority of the issuer’s directors and the issuer’s securityholders. Shareholders last approved the unallocated Options under the Stock Option Plan at the annual and special meeting of Shareholders of the Corporation held on May 14, 2020. Accordingly, Shareholder approval of the unallocated Options under the Stock Option Plan is being sought at the Meeting.

Based on 266,972,662 issued and outstanding Common Shares as at March 27, 2023, the number of Common Shares issuable upon the exercise of Options that may be granted under the Stock Option Plan is currently limited to 26,697,266 Common Shares (representing 10% of the issued and outstanding Common Shares). As at March 27, 2023, there are 19,419,632 Options outstanding (representing approximately 7% of the issued and outstanding Common Shares), leaving unallocated Options to purchase an aggregate of 7,277,634 Common Shares (representing approximately 3% of the issued and outstanding Common Shares) available for future Option grants under the Stock Option Plan.

The Stock Option Plan is an integral component of the Corporation’s total compensation program and is critical to the Corporation’s ability to attract and retain qualified and dedicated personnel. The Stock Option Plan is designed, through the grant of Options, to reward participants under the Stock Option Plan with additional compensation relative to an increase in the market price of the Common Shares – value is realized as the market price of the Common Shares exceeds that of the exercise price of the Option. Accordingly, the Stock Option Plan is intended to enhance shareholder value by aligning the interests of Optionees with the interests of Shareholders by attempting to create a direct link between compensation and Shareholder returns. See “*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – The Stock Option Plan*”.

The Board unanimously approved all unallocated Options under the Stock Option Plan on March 27, 2023 and unanimously recommends that Shareholders vote “FOR” the approval of all unallocated Options under the Stock Option Plan.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass the following ordinary resolution relating to the approval of unallocated Options under the Stock Option Plan:

“BE IT RESOLVED as an ordinary resolution of the shareholders of Birchcliff Energy Ltd. (the “**Corporation**”) that:

1. all unallocated stock options under the Corporation’s stock option plan (the “**Stock Option Plan**”) are hereby approved;
2. the Corporation have the ability to continue granting stock options under the Stock Option Plan until May 11, 2026; and

- any one officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation, whether under corporate seal or otherwise, to execute and deliver all documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any of such actions.”

The foregoing resolution must be approved by a simple majority of votes cast by Shareholders who vote in person or by proxy on such resolution at the Meeting.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary, to vote proxies in favour of the foregoing resolution.

If Shareholders do not approve the foregoing resolution at the Meeting, all unallocated Options under the Stock Option Plan will be cancelled, the Corporation will not be able to make any further grants of Options under the Stock Option Plan and any outstanding Options that are thereafter exercised, cancelled or expire will not be available for re-grant until such time as Shareholder approval is obtained. Regardless of whether or not this resolution is passed, all currently outstanding Options will be unaffected. If approval is not obtained at the Meeting, the Corporation will have to consider alternate forms of performance-based compensation, including additional cash bonuses or other vehicles that do not include the potential issuance of Common Shares in order to attract and retain qualified and dedicated personnel.

Other Business

If any other matters properly come before the Meeting or any adjournment or postponement thereof, the enclosed form of proxy confers discretionary authority on the persons named therein to vote on any such other matters. As at the date of this Information Circular, management of the Corporation is not aware of any other matters to come before the Meeting.

EXECUTIVE COMPENSATION

2022 Year in Review

2022 was a record year for all of Birchcliff’s cash flow metrics. The Corporation generated record annual adjusted funds flow, free funds flow and net income to common shareholders. As a result of the significant free funds flow generated over the past two years, the Corporation was able to redeem all of its issued and outstanding Series A and Series C preferred shares and significantly reduce its outstanding total debt. In addition, Birchcliff returned an aggregate of \$128.9 million to Shareholders in 2022 through its base Common Share dividend, a special dividend of \$0.20 per Common Share and Common Share repurchases. Birchcliff also demonstrated its ongoing commitment to environmental, social and governance (“ESG”) performance and reporting during 2022 with the release of its fifth annual ESG Report, which is available on Birchcliff’s website at <https://www.birchcliffenergy.com/esg>. As detailed in the ESG Report, Birchcliff’s commitment to ESG was reflected in its status as a low-emissions intensity producer, with the Corporation delivering one of the lowest greenhouse gas (“GHG”) emissions intensities amongst its peer group.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes the executive compensation program for the financial year ended December 31, 2022 applicable to Birchcliff’s “Named Executive Officers” (the “**Named Executive Officers**”). “Named Executive Officer” is defined by Form 51-102F6 – *Statement of Executive Compensation* to mean: (i) the chief executive officer of the Corporation; (ii) the chief financial officer of the Corporation; (iii) each of the Corporation’s three most highly compensated executive officers or three most highly compensated individuals acting in a similar capacity, other than the chief executive officer and chief financial officer, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000.00 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under paragraph (iii) above but for the fact

that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

The Corporation's Named Executive Officers for the financial year ended December 31, 2022 were:

- Jeff Tonken – Chief Executive Officer;
- Chris Carlsen – President and Chief Operating Officer;
- Myles Bosman – Executive Vice President, Exploration;
- Bruno Geremia – Executive Vice President and Chief Financial Officer; and
- David Humphreys – Executive Vice President, Operations.

This Compensation Discussion and Analysis discusses the objectives and principles of Birchcliff's compensation program, the roles and responsibilities of the Compensation Committee in determining and approving executive compensation, the process for determining compensation and the elements of the Corporation's compensation program.

Compensation Objectives and Principles

The overall philosophy of Birchcliff is to provide a compensation program that rewards performance, aligns with Shareholder interests and attracts and retains high-quality and experienced executives and employees. Birchcliff believes that compensation should be fair and equitable compared to compensation paid generally in the Alberta oil and natural gas industry.

The principal objectives of Birchcliff's compensation program for the financial year ended December 31, 2022 were as follows:

- to motivate the short and long-term performance of the Named Executive Officers and other employees and align their interests with those of Shareholders;
- to reward performance, individual contribution and leadership in the achievement of Birchcliff's business objectives and the creation of long-term Shareholder value;
- to attract and retain the management talent needed to achieve Birchcliff's business objectives and to create long-term value for Shareholders; and
- to provide compensation that is competitive with other companies of a similar size in the Alberta oil and natural gas industry and that is reflective of the experience, performance and contribution of the individuals involved, as well as the overall performance of the Corporation.

Compensation Governance

The Corporation has a Compensation Committee whose responsibility it is to review compensation matters and to recommend to the Board the appropriate levels of compensation for all Named Executive Officers and directors.

Mandate of the Compensation Committee

The Compensation Committee has a formal charter which sets out its roles and responsibilities. The roles and responsibilities of the Compensation Committee include, among other things:

- providing oversight and guidance for the compensation and benefit philosophy for all employees of the Corporation;
- making recommendations to the Board with respect to the compensation of the Named Executive Officers;
- making recommendations to the Board with respect to the compensation of non-employee directors; and

- reviewing the Corporation's incentive compensation and other benefit plans and practices and recommending changes in such plans and practices to the Board.

Pursuant to its charter, the Compensation Committee is required to meet at least annually and as many additional times as the committee deems necessary. During 2022, the Compensation Committee met a total of five times.

Members of the Compensation Committee

The current members of the Compensation Committee are Dennis Dawson (Chair), Debra Gerlach and Stacey McDonald. All members of the Compensation Committee are independent within the meaning of applicable securities laws.

Each of the Compensation Committee members has direct experience relevant to executive compensation. The skills and experience of each member of the Compensation Committee that enable them to make decisions regarding the suitability of the Corporation's compensation policies and practices are summarized below:

- Mr. Dawson has over 35 years of oil and natural gas experience, including nine years as General Counsel for Pan-Alberta Gas Ltd., a major Canadian natural gas export and marketing company. Mr. Dawson was the Vice President, General Counsel and Corporate Secretary of AltaGas from December 1998 to April 2015. He first joined AltaGas as Associate General Counsel in August 1997, after consulting with AltaGas Services Inc. from July 1996. Effective July 1998, Mr. Dawson became AltaGas' General Counsel and Corporate Secretary and effective December 1998, he became Vice President, General Counsel and Corporate Secretary. Mr. Dawson holds a Bachelor of Arts degree from the University of Lethbridge and a Bachelor of Laws degree from the University of Alberta. He is a member of the Law Society of Alberta. Through his previous roles at AltaGas and other organizations, Mr. Dawson gained experience in reviewing, establishing and/or operating executive and corporate compensation programs.
- Ms. Gerlach was a partner with Deloitte LLP from September 1996 to September 2017, where she practiced in the Assurance and Advisory group. Prior thereto, she held various positions within Deloitte LLP from the time she joined the firm in August 1982. During her 35-year career with the firm, Ms. Gerlach worked with numerous public oil and natural gas companies. Ms. Gerlach is also currently a director and member of the Compensation and Nominating Committee of Peyto Exploration & Development Corp., a publicly traded oil and natural gas company. Ms. Gerlach holds a Bachelor of Commerce degree and a Master of Business Administration degree from the University of Calgary. She is a Chartered Accountant with the Chartered Professional Accountants of Alberta. Through her career with Deloitte LLP, Ms. Gerlach became acquainted with the compensation structures of a variety of different organizations, including those in the oil and natural gas industry. While at Deloitte LLP, Ms. Gerlach was responsible for managing various employees and was involved in reviewing and helping to determine the compensation for such staff. In addition, she reviewed and/or audited the executive pay structures of numerous companies throughout her career.
- Ms. McDonald has over 15 years of experience in the energy and financial sectors. From September 2016 to July 2018, Ms. McDonald was a Managing Director – Institutional Equity Research (Energy) at GMP FirstEnergy and its predecessor, GMP Securities, independent global investment banks. She joined GMP Securities in February 2006 as a research associate and began publishing independently as an Equity Analyst in 2009. She is also currently a director and member of the Compensation Committee of Bonterra Energy Corp., a publicly traded oil and natural gas company. Ms. McDonald holds a Bachelor of Commerce degree in Finance from the University of Alberta. She is also a holder of the Institute of Corporate Directors' Director designation. While at GMP FirstEnergy and GMP Securities, Ms. McDonald was involved in providing input to the corporations' management compensation committees with respect to the allocation of ongoing incentive and commission payments. She was also involved in assessing performance and setting compensation for staff members. In addition, as a holder of the Institute of Corporate Directors' Director designation, Ms. McDonald has received education specifically relating to the Board's role in enhancing human performance, such as the appointing, evaluation, compensation and renewal of executives.

Compensation Consultants or Advisors

The Compensation Committee has the authority to engage outside advisors to the extent it considers it necessary or desirable. During the financial years ended December 31, 2022 and December 31, 2021, neither the Board nor the Compensation Committee engaged any outside compensation consultant or advisor to assist in determining compensation for any of the Corporation's directors or executive officers.

Compensation Committee Review Process

The Compensation Committee and the Board typically meet on an annual basis in December of each year to review and determine the compensation for all of the Corporation's employees, including the Named Executive Officers. At such meetings, the Compensation Committee and the Board are provided with information regarding the current and proposed compensation for all employees. In order to ensure that the Corporation's employees and Named Executive Officers are being compensated appropriately, Birchcliff participates in and uses the annual Mercer Total Compensation Survey for the energy sector, conducted and administered by Mercer (Canada) Limited (an independent compensation consultant), for purposes of benchmarking executive and employee compensation. With respect to the compensation to be paid to the Named Executive Officers, the Chief Executive Officer of the Corporation provides his recommendation to the Compensation Committee as to the compensation that should be paid to such officers. The Compensation Committee then reviews this recommendation and submits its full recommendation to the Board.

With respect to the financial year ended December 31, 2022, the compensation for each of the Named Executive Officers primarily consisted of a base salary, Options and cash bonuses, as discussed in further detail below under the heading "*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation*". The base salary paid to each of the Named Executive Officers and the number of Options to be granted for the financial year ended December 31, 2022 were determined at the meetings of the Compensation Committee and the Board held in December 2021. The annual cash bonuses paid to each of the Named Executive Officers under the Annual Bonus Plan (as defined herein) for the financial year ended December 31, 2022 were determined at the meetings of the Compensation Committee and the Board held in December 2022 and subsequently paid in January 2023.

Elements of Compensation

The significant elements of Birchcliff's executive compensation program are set forth in the table below:

Element	Fixed or Variable	Cash or Equity	Long-Term or Short-Term
Base Salary	Fixed	Cash	Short-Term
Bonuses	Variable	Cash	Short-Term
Options	Variable	Equity	Long-Term

The Named Executive Officers are also entitled to participate in the Corporation's employee savings program (the "**Savings Program**") and to receive other employee benefits. See "*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Savings Program and Benefits*".

The Compensation Committee endeavours to find an appropriate balance between fixed and variable, long-term and short-term and cash and equity-based incentive compensation. The compensation program is designed to be weighted towards the "at-risk" variable elements in order to ensure accountability for corporate and individual performance. Cash compensation primarily rewards short-term and individual performance, whereas equity-based incentive awards (Options) align the Corporation with market performance and encourage the Named Executive Officers to deliver improved corporate performance over a longer period of time and to help increase Shareholder value.

The elements of the Corporation's compensation program and the specific process for determining the amount of each element are described in further detail below. The amount of each element of the Corporation's compensation program is not determined relying on specific benchmarks or performance goals or by using a prescribed formula as the Compensation Committee and the Board believe that such benchmarks, goals and formulas could lead to

unintended consequences and foster excessive risk-taking to the overall detriment of the Corporation. Instead, in making its recommendations to the Compensation Committee, management engages in a comprehensive qualitative review of corporate and individual performance, having regard for the Corporation's current needs, in order to determine the most effective way for Birchcliff's compensation program to achieve its primary objectives and fulfill its overall philosophy.

Base Salaries

The first element of Birchcliff's compensation program is the payment of base salaries. The payment of base salaries is a fundamental component of the Corporation's compensation program and serves to attract and retain highly qualified executive officers. The Corporation believes that a highly competitive base salary is key to Birchcliff's ongoing success and to maintaining stability at the executive level. The Named Executive Officers are paid a base salary to compensate them for providing the leadership and skills necessary to fulfill their responsibilities as executive officers of the Corporation.

Salaries for the Named Executive Officers are reviewed annually by the Chief Executive Officer, based on a review of corporate and individual performance and individual levels of responsibility. Although no formal industry-peer benchmarking group has been established, the Chief Executive Officer reviews publicly available information regarding the executive compensation of certain of the Corporation's competitors. In addition, Birchcliff participates in and uses the annual Mercer Total Compensation Survey for the energy sector as discussed above. Based on his review, the Chief Executive Officer submits his salary recommendations for the Named Executive Officers for consideration by the Compensation Committee. The Compensation Committee then reviews the recommendations of the Chief Executive Officer and submits its recommendations to the full Board.

In determining the salaries to be paid to the Named Executive Officers in respect of the financial year ended December 31, 2022, the Compensation Committee took into account the Corporation's operational and financial performance in 2021, the contributions made by such executive officers, their individual levels of responsibility, their experience and expertise, how their compensation levels related to compensation packages that would be achievable by such executive officers from other opportunities and available salary survey data and other information publicly disclosed by certain of the Corporation's competitors. The Compensation Committee also recognized that there continued to be significant volatility in oil and natural gas commodity prices resulting from macroeconomic factors. Based on the foregoing, the Compensation Committee and the Board determined that the base salaries for the Named Executive Officers in 2022 would remain the same as the prior two years.

The Bonus Program

The second element of Birchcliff's compensation program is the Corporation's bonus program, which consists of an annual discretionary cash bonus plan (the "**Annual Bonus Plan**") and a discretionary supplemental bonus plan (the "**DSBP**").

Annual Bonus Plan

Pursuant to the Annual Bonus Plan, discretionary cash bonuses are paid to the Named Executive Officers and other employees where deemed appropriate by the Compensation Committee and the Board. The Annual Bonus Plan serves as a short-term retention incentive to encourage the Named Executive Officers and employees to remain employed with the Corporation. In addition, the Annual Bonus Plan rewards the Named Executive Officers and other employees for their individual performance and their contribution to the achievement of the Corporation's goals and objectives, as well as the performance of the Corporation as a whole.

With respect to the bonuses to be paid to the Named Executive Officers, the Chief Executive Officer submits his recommendations for consideration by the Compensation Committee. The Compensation Committee then reviews the recommendations of the Chief Executive Officer and submits its recommendations to the full Board. In determining the amount of bonuses to be paid to the Named Executive Officers in respect of the financial year ended December 31, 2022, the Compensation Committee considered a variety of factors, including the execution of the Corporation's business plan, the Corporation's production, adjusted funds flow, free funds flow, capital costs,

operating costs, reserves additions, Common Share price performance, performance-based metrics commonly used in the oil and natural gas industry and the health, safety and environmental record of the Corporation.

When considering bonus payments for 2022 under the Annual Bonus Plan, the Compensation Committee took into account the accomplishments achieved by Birchcliff during 2022, including the Corporation's record adjusted funds flow, free funds flow and net income to shareholders, the significant reduction in Birchcliff's debt, the redemption of preferred shares and the substantial increase in shareholder returns year-over-year, as outlined above under "*Executive Compensation – 2022 Year in Review*". The Compensation Committee also considered the significant efforts made by each of the Named Executive Officers in executing the Corporation's business plan. While 2022 was a very successful year for Birchcliff and each of the Named Executive Officers, the Compensation Committee and Board remained cognizant of the cyclical nature of the oil and natural gas industry and the long-term best interests of the Corporation. Taking into account the foregoing, the Compensation Committee and the Board approved in December 2022 the payment of a bonus to each of the Named Executive Officers in the same amount as the prior two years.

DSBP

As a result of Birchcliff's significant progress made in substantially reducing its total debt and the Corporation's enhanced focus on increasing shareholder returns through increased dividend payments, the Corporation identified increased compensation risk resulting from a corresponding decreased alignment between shareholder returns and the performance of Options granted under the Stock Option Plan, which is tied solely to the appreciation of Birchcliff's share price and does not factor in dividend payments. In order to ensure that the interests of Shareholders and employees, including the Named Executive Officers, continue to be significantly aligned, the Compensation Committee and the Board approved the DSBP as a supplement to the Annual Bonus Plan during 2022.

Pursuant to the DSBP, discretionary cash payments may be made to Birchcliff's employees, officers (including Named Executive Officers) and certain service providers that are reflective of Birchcliff's cash dividend payments on the Common Shares and are intended to increase the alignment between compensation and shareholder returns where those returns are provided in the form of dividends. Subject to adjustment by the Board in its discretion, payments made pursuant to the DSBP will generally be calculated based on the number of Options held by the person at the dividend payment date multiplied by the applicable dividend amount. The Board will only consider Options granted on or after December 14, 2021 that remain outstanding at the dividend payment date when determining DSBP payments.

Any payments under the DSBP are completely at the discretion of the Board. Whether a payment will be made pursuant to the DSBP, and the amount of any such payment, is determined based on a number of factors as at the dividend payment date, including but not limited to, the financial and operational condition of the Corporation, macroeconomic conditions and commodity prices. In addition, the Board may, in its discretion, determine whether a participant is or is not eligible to receive a payment under the DSBP and make any adjustments to the amount of a DSBP payment as it sees fit, taking into account such factors as it considers relevant, including individual performance, current employment status and the length of time a participant has been employed by the Corporation.

During the financial year ended December 31, 2022, the Compensation Committee and the Board approved a payment pursuant to the DSBP to eligible employees, including each of the Named Executive Officers, only with respect to the special dividend of \$0.20 per Common Share, which was paid to Shareholders on October 28, 2022.

The Stock Option Plan

The third element of Birchcliff's compensation program is the Corporation's Stock Option Plan. A copy of the Stock Option Plan is attached to this Information Circular as Appendix "A". The Stock Option Plan was amended by the Corporation in March 2023 to revise the definition of a "change of control transaction" and certain other definitions contained therein in order to ensure alignment between the change of control provisions in the Stock Option Plan with the Corporation's executive employment agreements. Shareholder approval was not obtained for such amendment as approval was not required pursuant to the terms of the Stock Option Plan or the policies of the TSX.

Purpose

The Stock Option Plan is an integral component of the Corporation's total compensation program and is critical to the Corporation's ability to attract and retain qualified and dedicated personnel. The Stock Option Plan is designed, through the grant of Options, to reward Optionees with additional compensation relative to an increase in the market price of the Common Shares – value is realized as the market price of the Common Shares exceeds that of the exercise price of the Options. Accordingly, the Stock Option Plan is intended to enhance Shareholder value by aligning the interests of Optionees with the interests of Shareholders by attempting to create a direct link between compensation and Shareholder returns. In addition, the deferred vesting of Options over a three-year period serves as a long-term retention incentive to encourage the Named Executive Officers and other employees to remain employed with the Corporation.

Participants

The Stock Option Plan permits the granting of Options to officers, directors, employees and certain service providers of the Corporation. No Options have been granted to a non-employee director of the Corporation since 2011.

Grant Process

Pursuant to the Stock Option Plan, the Board may grant Options from time to time. At the time of the grant, the Board fixes the exercise price, vesting dates and the expiry date of such Options. The Board may also fix such other terms and conditions, not inconsistent with the Stock Option Plan, as the Board in its discretion may determine.

Generally, the number of Options granted to any Optionee is a function of the level of authority and responsibility of the Optionee, the contribution that has been made by the Optionee to the business and affairs of the Corporation, the number of Options that have already been granted to the Optionee and such other factors as management or the Compensation Committee may consider relevant.

With respect to the number of Options to be granted to the Named Executive Officers, the Chief Executive Officer submits his recommendations for consideration by the Compensation Committee. The Compensation Committee then reviews the recommendations of the Chief Executive Officer and submits its recommendations to the full Board. In determining the number of Options to be granted to the Named Executive Officers for 2022, the Compensation Committee considered the amount, term and vesting levels of existing Options held by the Named Executive Officers and also the number of Options remaining available for grant by the Corporation in the future to attract and retain talented technical and administrative staff. For information regarding the number of Options granted to the Named Executive Officers during the three most recently completed financial years, see *"Executive Compensation – Summary Compensation for Named Executive Officers"* and *"Executive Compensation – Incentive Plan Awards"*. The Compensation Committee believes that these Options granted under the Stock Option Plan will provide above-market compensation to the Named Executive Officers only upon the significant enhancement of Shareholder value.

Expiry Date, Black-Outs and Vesting

The Stock Option Plan provides that the expiry date of an Option shall be no later than 10 years from the date of grant of such Option. If the expiry date of an Option falls within a period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation (a **"Black-Out Period"**) or within two business days thereafter, the expiry date of such Option shall be automatically extended for a period of 10 business days following the end of the Black-Out Period.

All of the Options granted to date under the Stock Option Plan provide for: (i) the expiry of such Options not later than the fifth anniversary of the date of grant; and (ii) the vesting of such Options with respect to one-third of the Common Shares issuable thereunder on each of the first, second and third anniversaries of the date of grant.

Exercise Price

The Stock Option Plan provides that the exercise price of an Option shall not be lower than the higher of: (i) the closing price of the Common Shares on the TSX on the first trading day immediately preceding the date of grant; or (ii) the lowest exercise price permitted by the TSX; provided that if the Common Shares are not listed and posted for

trading on a stock exchange, the exercise price of an Option shall be the value determined by the Board on the date of grant.

Restrictions on Number of Common Shares Issuable

The maximum number of Common Shares that are issuable under Options that are issued and outstanding at any time under the Stock Option Plan shall not exceed 10% of the aggregate number of Common Shares actually issued and outstanding at that time, as determined on a non-diluted basis. The maximum number of Common Shares that may be issued under the Stock Option Plan to insiders of the Corporation within any one-year period and the maximum number of Common Shares that are issuable under the Stock Option Plan to insiders of the Corporation at any time, together with all Common Shares issuable to insiders under all other share compensation arrangements, may not exceed 10% of the outstanding Common Shares. The maximum number of Common Shares that may be issued under the Stock Option Plan to any single Optionee is 5% of the outstanding Common Shares.

For information regarding the number of Options issued and outstanding and available for issuance at the date hereof, see *"Business of the Meeting – Approval of Unallocated Stock Options under Stock Option Plan"*. For information regarding the number of Options issued and outstanding and available for issuance at December 31, 2022, see *"Securities Authorized for Issuance under Equity Compensation Plans"*.

Amendments

The Board may at any time, but subject always to the receipt of required regulatory approvals, alter, amend or revise the terms and conditions of the Stock Option Plan or an outstanding Option, or suspend, discontinue or terminate the Stock Option Plan or a portion thereof, provided that, without the prior written consent of an Optionee, no such action shall adversely affect (except as specifically provided in the Stock Option Plan or an applicable Option agreement) any Options previously granted to such Optionee.

Any alteration, amendment or revision to the Stock Option Plan or any outstanding Options (other than any suspension, discontinuance or termination of the Stock Option Plan or any outstanding Options) is subject to the prior approval of Shareholders of the Corporation. Notwithstanding the foregoing, the Board has the power and authority to approve and effect certain amendments to the Stock Option Plan or a specific Option without further approval of the Shareholders of the Corporation, to the extent that such amendments relate to: (i) altering, extending or accelerating the terms and conditions of vesting applicable to any Option or group of Options; (ii) changing the termination provisions of an Option, provided such change does not entail an extension beyond the original expiry date of such Option; (iii) accelerating the expiry date of an Option; (iv) determining the adjustment provisions pursuant to the Stock Option Plan; (v) amending the definitions contained within the Stock Option Plan and other amendments of a "housekeeping" nature; and (vi) amending or modifying the mechanics of exercise of the Options. Shareholder approval is specifically required for the Board to make amendments of the following nature: (i) to increase the maximum number or percentage of Common Shares that may be issued pursuant to Options granted under the Stock Option Plan; (ii) to reduce the exercise price of Options benefiting an insider; (iii) to alter the limits to insider participation as set forth in the Stock Option Plan; (iv) to extend the expiry date of Options for the benefit of an insider; and (v) to amend the amendment provisions of the Stock Option Plan.

During the financial year ended December 31, 2022, in accordance with the Stock Option Plan, the Board accelerated the vesting and extended the expiry dates of certain Options held by various employees of the Corporation who ceased to be employees during 2022. None of the foregoing amendments were made to any Options held by any officer, director or other insider of the Corporation. Additionally, as discussed above, the Stock Option Plan was amended by the Corporation in March 2023 to revise the definition of a "change of control transaction" and certain other definitions contained therein. As set forth above, Shareholder approval was not required for such amendments and therefore was not obtained.

Cessation of Participation

The Stock Option Plan provides an Optionee who has ceased to be a participant under the Stock Option Plan for any reason a limited amount of time to exercise any or all of his or her vested Options, after which time such vested Options shall expire. All of such Optionee's unvested Options expire immediately upon cessation of participation.

Vested Options granted under the Stock Option Plan will expire on the earlier of: (i) the original expiry date; (ii) the date that is three years after the Optionee's death; (iii) the date that is one year after the Optionee becomes permanently disabled; (iv) the date that is one year after the Optionee ceases to be a director; and (v) the date that is 30 days after the Optionee ceases to be a participant for any other reason. In the context of an Optionee ceasing to be a participant under the Stock Option Plan, the directors of the Corporation have the discretion to vest unvested Options and to extend the expiry date of Options, provided that such extended expiry date shall be no later than the earlier of the original expiry date of such Options and the third anniversary date of the date upon which the Optionee ceased to be a participant under the Stock Option Plan.

Assignability

The interest of any Optionee under the Stock Option Plan or under any Option agreement is not transferable or alienable by the Optionee either by assignment or in any other manner and, during his or her lifetime, is vested only in the Optionee, but, subject to the terms of the Stock Option Plan and of the Option agreement, shall enure to the benefit of and be binding upon his or her legal personal representatives.

Adjustment in Connection with Certain Corporate Events

In the event: (i) of any change or proposed change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; (ii) of any issuance, dividend or distribution to all or substantially all of the holders of Common Shares of any shares, securities, property or assets of the Corporation other than in the ordinary course; (iii) that any rights are granted to holders of Common Shares to purchase Common Shares at prices materially below fair market value; or (iv) that as a result of any recapitalization, merger, consolidation or otherwise the Common Shares are converted into or exchangeable for any other shares or securities; then in any such case: (v) the Board will proportionately adjust the number of Common Shares that underlie each Option, the number of Common Shares that are available for issuance pursuant to the exercise of all outstanding Options, the securities or other property that may be acquired upon the exercise of an Option and the exercise price of such Option, or one or more of the foregoing, to prevent substantial dilution or enlargement of the rights granted to, or available for, Optionees; and (vi) the Board may amend to an earlier date the date on which any or all unvested Options become vested Options and may decide whether such Options will remain as vested Options for a limited period of time only.

Change of Control

The Stock Option Plan contains various provisions that apply in the context of a transaction resulting in a "change of control transaction" (as such term is defined in the Stock Option Plan). In most change of control situations, all unvested Options will be vested. In the context of a change of control where not less than 66²/₃% of vested Options have been exercised, all remaining unexercised Options shall expire and automatically terminate on the date of closing of the change of control transaction and the Corporation shall make a cash payment to the former holders of such Options in an amount equal to the "in-the-money" value of such expired Options at such time.

Savings Program and Benefits

In order to encourage and assist Birchcliff's employees to meet their savings goals, the Corporation offers the Savings Program to its full-time permanent employees, including the Named Executive Officers. During the financial year ended December 31, 2022, the Savings Program consisted of a voluntary group savings plan. Pursuant to the group savings plan, employees were entitled to contribute a percentage of their base salary each pay period, which amount was matched by the Corporation to a maximum of 5% of the employee's base salary. Vesting of the Corporation's contribution was immediate. The group savings plan was administered for the Corporation by an independent third-party investment firm. Investment options included a suite of professionally managed investment funds. The Corporation deposited contributions with the investment firm on a semi-monthly basis and thereafter all investment decisions, transfers and withdrawals were completed directly between the employee and the third-party investment firm.

In addition, the Named Executive Officers are provided with other employment benefits, including life insurance, disability insurance, extended health and dental coverage and a health care spending account.

Risks of Compensation Policies and Practices

The Board and Compensation Committee have overall responsibility for the Corporation's compensation risk oversight. The Board and Compensation Committee believe that Birchcliff's compensation program has been designed in such a way that prevents inappropriate risk-taking. While no program can fully mitigate risk, the following compensation policies and practices are used to identify and mitigate compensation risk:

- Significant weight is placed on long-term incentives to mitigate the risk of encouraging short-term goals at the expense of long-term sustainability.
- The discretionary nature of the bonus awards under the Annual Bonus Plan and the DSBP and of the Option grants under the Stock Option Plan are significant elements of the Corporation's compensation program and provide the Board with the ability to reward historical performance and behaviour and encourage long-term future performance that the Board considers to be aligned with the Corporation's best interests. This large "at-risk" component mitigates the risk of compensation misalignment as it is not guaranteed and is variable year-over-year, depending on performance.
- All of the Options granted to date to the Named Executive Officers have a vesting period of three years and an expiry date of five years from the date of grant. This encourages the Named Executive Officers to continue to create Shareholder value over a longer period of time, provides a retention incentive and mitigates against the potential for short-term risk-taking.
- The compensation program is structured consistently for all Named Executive Officers.
- As discussed below, the Corporation prohibits its directors and officers from engaging in hedging-related activities in respect of the Corporation's securities.

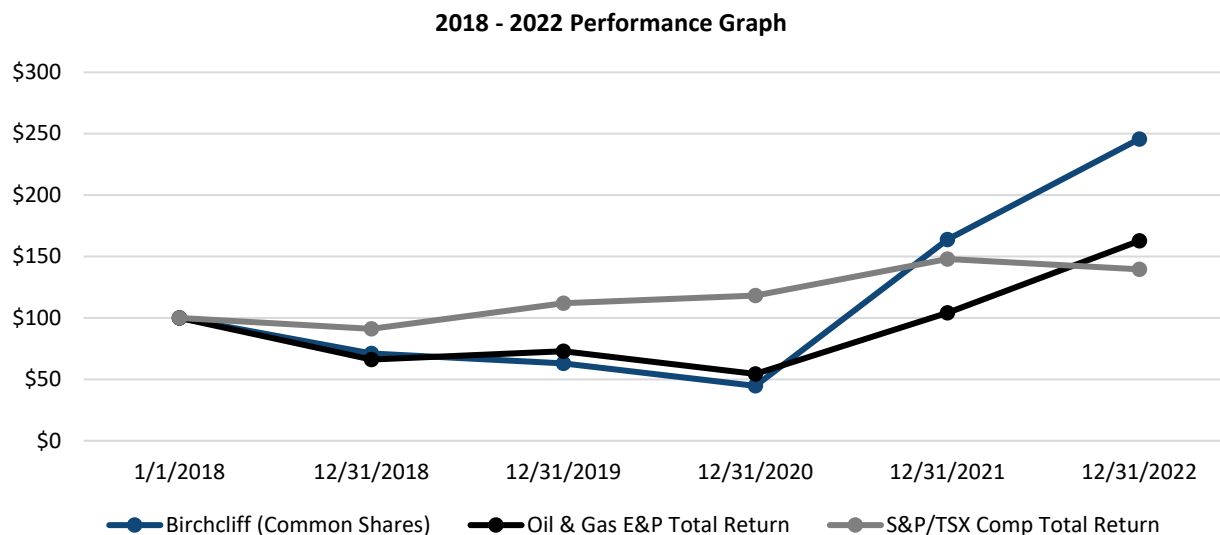
Anti-Hedging Policy

Birchcliff has a policy that prohibits its directors and officers from knowingly selling, directly or indirectly, a security of the Corporation if such person selling such security does not own or has not fully paid for the security to be sold. Directors and officers of the Corporation may not, directly or indirectly, sell a call option or buy a put option in respect of a security of the Corporation or any of its affiliates. Notwithstanding these prohibitions, a director or officer of the Corporation may sell a security which such person does not own if they own another security convertible into the security sold or an option or right to acquire the security sold and, within 10 days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the security so acquired to the purchaser; or (ii) transfers the convertible security, option or right, if transferable to the purchaser.

Hedging transactions involving directors and officers are also prohibited. Directors and officers may not, for the purpose of hedging to protect against a decrease in the market price or value of an equity-based award or securities of the Corporation, buy, sell or enter into any derivative instruments, agreements or securities, the market price, value or payment obligations of which are derived from, referenced to or based on the value of the applicable securities, or any other derivative instruments, agreements, arrangements, or understandings (commonly known as equity monetization transactions) the effect of which is to alter, directly or indirectly, the director's or officer's economic interest in securities of, or economic exposure to, the Corporation.

Performance Graph

The following graph compares Birchcliff's cumulative total shareholder return over the five most recently completed financial years with the cumulative total shareholder return on the S&P/TSX Composite Total Return Index and the Oil & Gas Exploration & Production Total Return Index, assuming a notional \$100.00 investment on the first day of the five-year period and the reinvestment of all dividends.



	01/01/2018	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
BIR (Total Return)	100.00	71.02	62.91	44.68	163.91	245.74
Oil & Gas E&P Total Return	100.00	66.22	72.80	54.40	104.23	162.73
S&P/TSX Comp Total Return	100.00	91.12	111.97	118.25	147.99	139.48

From January 1, 2018 to December 31, 2022, the closing trading price of the Common Shares increased by 146% as compared to an increase of 39% for the S&P/TSX Composite Total Return Index and an increase of 63% for the Oil & Gas Exploration & Production Total Return Index. Management believes that the Common Share performance over the period is largely a reflection of macroeconomic and industry conditions that included a significant increase in commodity prices beginning in 2021 after an extended period of depressed commodity prices, which are reflected in the Corporation's five-year share price performance. The increases in the prices for oil and natural gas in 2021 and 2022 generally resulted in greater share trading price increases for oil and natural gas producers as compared to the S&P/TSX Composite Total Return Index.

Management believes that Birchcliff's performance as compared to the Oil & Gas Exploration & Production Total Return Index during 2021 and 2022 resulted from the Corporation's strategic decisions, including not entering into fixed price commodity hedges to ensure full participation in strengthening commodity prices, as well as the general trend that junior and intermediate oil and gas producers responded to commodity price strengthening more positively than senior producers.

An increase or decline in the trading price of the Common Shares has a direct impact on the current and future compensation values of Birchcliff's long-term incentives, namely Options granted under the Stock Option Plan. Additionally, the performance of the Common Shares is considered by management and the Compensation Committee as part of the comprehensive annual review of corporate performance and is taken into account along with operational and financial performance metrics, in determining the Named Executive Officer's payments under the Annual Bonus Plan. With that said, executive compensation decisions are based on the broad range of factors discussed above and are not directly tied to the trading price of the Common Shares, particularly when the trading price is significantly influenced by external factors beyond Birchcliff's control.

Summary Compensation for Named Executive Officers

The following table provides a summary of the compensation earned by each Named Executive Officer for the three most recently completed financial years:

Name and Principal Position	Year	Salary (\$)	Option-based Awards ⁽¹⁾ (\$)	Annual Incentive Plans ⁽²⁾ (\$)	Pension Value ⁽³⁾ (\$)	All Other Compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
Jeff Tonken ⁽⁵⁾ Chief Executive Officer	2022	560,000	880,000	740,000	520,928	28,000	2,728,928
	2021	560,000	622,000	700,000	–	28,000	1,910,000
	2020	560,000	158,000	700,000	–	28,000	1,446,000
Chris Carlsen President and Chief Operating Officer	2022	522,500	880,000	740,000	–	26,125	2,168,625
	2021	522,500	622,000	700,000	–	26,125	1,870,625
	2020	522,500	158,000	700,000	–	26,125	1,406,625
Myles Bosman Executive Vice President, Exploration	2022	522,500	880,000	740,000	189,899	26,125	2,358,524
	2021	522,500	622,000	700,000	184,674	26,125	2,055,299
	2020	522,500	158,000	700,000	179,592	26,125	1,586,217
Bruno Geremia Executive Vice President and Chief Financial Officer	2022	522,500	880,000	740,000	189,697	26,125	2,358,322
	2021	522,500	622,000	700,000	184,478	26,125	2,055,103
	2020	522,500	158,000	700,000	179,401	26,125	1,586,026
David Humphreys Executive Vice President, Operations	2022	522,500	880,000	740,000	190,288	26,125	2,358,913
	2021	522,500	622,000	700,000	185,052	26,125	2,055,677
	2020	522,500	158,000	700,000	179,960	26,125	1,586,585

- (1) The Corporation has calculated the grant date fair value of the Options granted to the Named Executive Officers using the Black-Scholes-Merton model. The Corporation chose the Black-Scholes-Merton model because it is recognized as the most common methodology used for valuing Options and doing value comparisons. The following sets forth further details regarding the value of the Options granted during the three most recently completed financial years:
- (a) The value of each Option granted in 2022 under International Financial Reporting Standards (“IFRS”) was \$4.40 and the Black-Scholes-Merton assumptions used were: (i) an initial expected life of 4.0 years; (ii) a historical volatility of 62.5%; (iii) a risk-free interest rate of 3.2%; and (iv) a dividend yield of 0.8%.
- (b) The value of each Option granted in 2021 under IFRS was \$3.11 and the Black-Scholes-Merton assumptions used were: (i) an initial expected life of 4.4 years; (ii) a historical volatility of 60.6%; (iii) a risk-free interest rate of 1.2%; and (iv) a dividend yield of 0.3%.
- (c) The value of each Option granted in 2020 under IFRS was \$0.79 and the Black-Scholes-Merton assumptions used were: (i) an initial expected life of 4.2 years; (ii) a historical volatility of 61.2%; (iii) a risk-free interest rate of 0.4%; and (iv) a dividend yield of 1.1%.
- The aggregate number of Options held by each of the Named Executive Officers as at December 31, 2022 is disclosed in the table under the heading “Executive Compensation – Incentive Plan Awards – Outstanding Option-Based Awards”.
- (2) The amounts under “Annual Incentive Plans” represent cash bonuses that were paid under the Annual Bonus Plan and the DSBP. The Annual Bonus Plan payments disclosed in the table for each year were earned in respect of performance for that year and paid in the following year. Payments made in 2023 in respect of performance for each Named Executive Officer in 2022 under the Annual Bonus Plan equalled \$700,000. Payments made during 2022 for each Named Executive Officer pursuant to the DSBP equalled \$40,000. The only non-equity incentive plans the Corporation has are the Annual Bonus Plan and DSBP.
- (3) The pension value relates to the Executive Retirement Benefit (as such term is defined herein) and reflects the compensatory changes in pensions in the year for current and/or past service costs as set forth in the table under the heading “Executive Compensation – Pension Plan Benefits”. The pension value of the Executive Retirement Benefit is determined in accordance with accounting for defined benefit obligations under IFRS and may not reflect the actual cash outlay for the periods indicated.
- (4) The amounts under “All Other Compensation” reflect the matching contributions made by the Corporation on behalf of the Named Executive Officers under the group savings plan (see “Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Savings Program and Benefits”). The value of perquisites received by each Named Executive Officer for the three most recently completed financial years, including property or other personal benefits that are not generally available to all employees, were not in the aggregate worth \$50,000 or more, or worth more than 10% of the Named Executive Officer’s total salary for the financial year, and are therefore not reported in the table above.
- (5) Mr. Tonken also serves as a director of the Corporation; however, he receives no compensation in his capacity as a director of the Corporation.

The Corporation does not currently have any share-based awards or non-equity long-term incentive plans as such terms are defined in Form 51-102F6 – *Statement of Executive Compensation*.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets forth information in respect of all Option-based awards that were outstanding at the end of the financial year ended December 31, 2022 for the Named Executive Officers:

Name	Number of Securities		Exercise Price (\$)	Expiration Date	Value of Unexercised In-the-money Options ⁽¹⁾ (\$)
	Underlying Unexercised Options (#)				
Jeff Tonken	200,000		3.55	February 19, 2024	1,176,000
	200,000		2.32	December 12, 2024	1,422,000
	200,000		1.81	December 10, 2025	1,524,000
	200,000		6.54	December 14, 2026	578,000
	200,000		9.31	December 14, 2027	24,000
Chris Carlsen	100,000		3.07	March 3, 2023	636,000
	200,000		3.55	February 19, 2024	1,176,000
	200,000		2.32	December 12, 2024	1,422,000
	150,000		1.81	December 10, 2025	1,143,000
	200,000		6.54	December 14, 2026	578,000
	200,000		9.31	December 14, 2027	24,000
Myles Bosman	200,000		2.32	December 12, 2024	1,422,000
	200,000		1.81	December 10, 2025	1,524,000
	200,000		6.54	December 14, 2026	578,000
	200,000		9.31	December 14, 2027	24,000
Bruno Geremia	125,333		3.55	February 19, 2024	736,958
	66,667		1.81	December 10, 2025	508,003
	200,000		6.54	December 14, 2026	578,000
	200,000		9.31	December 14, 2027	24,000
David Humphreys	200,000		3.55	February 19, 2024	1,176,000
	200,000		2.32	December 12, 2024	1,422,000
	200,000		1.81	December 10, 2025	1,524,000
	200,000		6.54	December 14, 2026	578,000
	200,000		9.31	December 14, 2027	24,000

(1) Value is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2022 (being the last trading day of the year) of \$9.43 and the exercise price of the Options.

For a more detailed description of the Stock Option Plan and the process used by the Corporation to grant Option-based awards to the Named Executive Officers, see “*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – The Stock Option Plan*”.

Value Vested or Earned During the Year

The following table sets forth information in respect of the value of incentive plan awards vested or earned during the Corporation's financial year ended December 31, 2022, in respect of option-based and non-equity incentive plan awards for the Named Executive Officers:

Name	Option-based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year ⁽²⁾ (\$)
Jeff Tonken	1,364,671	740,000
Chris Carlsen	1,364,671	740,000
Myles Bosman	1,364,671	740,000
Bruno Geremia	1,364,671	740,000
David Humphreys	1,364,671	740,000

(1) Value is calculated for each of the Options based on the difference between the closing price of the Common Shares on the TSX on the vesting date for such Options or, if such day was not a trading day, the following trading day, and the exercise price of the Options.

(2) Non-equity incentive plan compensation represents the cash bonuses earned under the Annual Bonus Plan and the DSBP for the financial year ended December 31, 2022.

Termination and Change of Control Benefits

Employment Agreements

Each of the Named Executive Officers is a party to an executive employment agreement with the Corporation (collectively, the “**Employment Agreements**”) which outlines the terms of employment. The Employment Agreements are for an indefinite term and contain provisions regarding confidentiality, non-solicitation of employees and termination of employment.

The Employment Agreements provide for a lump sum cash payment (the “**Termination Payment**”) to be made to the Named Executive Officers upon the occurrence of certain termination events and receipt by the Corporation of a release in favour of the Corporation. The Termination Payment is equal to: (i) the unpaid portion of the Named Executive Officer's annual salary accrued through to the date of termination; (ii) an amount equal to the Named Executive Officer's “**Annual Compensation**” as such term is defined in the Employment Agreements (“**Annual Compensation**”) multiplied by 2.0; and (iii) any other minimum amounts and entitlements required to be paid by applicable legislation through to the date of termination.

Annual Compensation is defined in the Employment Agreements as the sum of: (i) an amount equal to the Named Executive Officer's annual salary; (ii) an amount equal to the “**Bonus Amount**” as such term is defined in the Employment Agreements (“**Bonus Amount**”); and (iii) an amount equal to 20% of the Named Executive Officer's annual salary. In the case of a termination without “**Just Cause**” as such term is defined in the Employment Agreements (“**Just Cause**”), a resignation within 30 days following a change of control or constructive dismissal or the death of the Named Executive Officer, the Bonus Amount is generally equal to the simple average of the aggregate amount the Named Executive Officer received (or, in the case of a declared but unpaid annual cash bonus, is entitled to receive) from the Corporation in respect of the last two fiscal years ended immediately prior to the date of termination pursuant to the Annual Bonus Plan. In the case of a termination for disability, the Bonus Amount is generally equal to the simple average of the aggregate amount the Named Executive Officer received (or, in the case of a declared but unpaid annual cash bonus, is entitled to receive) from the Corporation in respect of the last two fiscal years ended immediately prior to the “**long-term disability date**” pursuant to the Annual Bonus Plan. The long-term disability date (the “**LTD Date**”) is generally defined in the Employment Agreements as the date that the Named Executive Officer's entitlement to short-term disability benefits under the Corporation's short-term disability policy expires.

In addition, upon the occurrence of certain termination events, if the Named Executive Officer holds securities convertible into or exchangeable for securities or shares in the Corporation or holds options, rights, warrants or other entitlements for the purchase or acquisition of shares in the Corporation that are not exercisable at the date of termination (“**Unvested Rights**”), then, subject to obtaining any necessary stock exchange or regulatory approvals and any necessary approvals that may be required by the Board, all Unvested Rights so held shall be accelerated so that the Unvested Rights shall become immediately exercisable and shall remain exercisable in accordance with the terms of the agreements, certificates and/or plans governing such Unvested Rights. If the Corporation does not obtain the necessary approvals to permit such acceleration, then the Corporation shall pay to the Named Executive Officer an amount equal to the in-the-money value of such Unvested Rights being for each of such Unvested Rights the amount, if any, by which the then current market price of the Corporation’s shares exceeds the exercise price or conversion price of such Unvested Rights on the date that notice of termination or resignation is provided, as the case may be.

The following table sets forth a summary of the potential payments and certain other benefits that are payable or otherwise provided to the Named Executive Officers pursuant to the Employment Agreements upon the occurrence of the termination events set forth below:

Termination Event	Potential Payments and Benefits
Termination without Just Cause	<ul style="list-style-type: none"> • Termination Payment. • All earned but unused vacation accrued through to the date of termination. • Accelerated vesting of Unvested Rights.
Resignation within 30 days following a change of control or constructive dismissal	<ul style="list-style-type: none"> • Termination Payment. • All earned but unused vacation accrued through to the date of termination. • Accelerated vesting of Unvested Rights.
Death	<ul style="list-style-type: none"> • Termination Payment. • All earned but unused vacation accrued through to the date of termination. • Accelerated vesting of Unvested Rights.
Disability	<ul style="list-style-type: none"> • Termination Payment. • All earned but unused vacation accrued through to the date of termination. • Accelerated vesting of Unvested Rights.
Just Cause	<ul style="list-style-type: none"> • Any unpaid portion of salary and earned but unused vacation accrued through to the date of termination.

Notwithstanding the termination provisions in the Employment Agreements set out above, the Employment Agreements provide that the Named Executive Officers shall be entitled to receive a lump sum cash payment (the “**Executive Retirement Benefit**”) upon the Named Executive Officer meeting the following eligibility requirements at the time their employment ceases: (i) the Named Executive Officer shall have reached the age of 55; (ii) the Named Executive Officer shall have been employed by the Corporation for a consecutive period of at least 10 years; and (iii) the Named Executive Officer’s employment shall have been terminated, other than termination by the Corporation for Just Cause (collectively, the “**Eligibility Requirements**”). In addition, if a Named Executive Officer meets the Eligibility Requirements, any Unvested Rights will be treated in the same manner as described above and they will also receive all earned but unused vacation accrued through to the date of termination. In order to receive the Executive Retirement Benefit, the Named Executive Officer will also be required to execute a release in favour of the Corporation.

The Executive Retirement Benefit is calculated in a manner similar to the Termination Payment and is equal to: (i) the unpaid portion of the Named Executive Officer’s annual salary accrued through to the date of termination; (ii) an amount equal to the Named Executive Officer’s Annual Compensation multiplied by 3.0 in the case of Mr. Tonken and 2.5 in the case of the other Named Executive Officers; and (iii) any other minimum amounts and entitlements required to be paid by applicable legislation through to the date of termination.

If a Named Executive Officer is entitled to receive the Executive Retirement Benefit, he is not entitled to any other benefit, amount or payment pursuant to the provisions of his Employment Agreement dealing with termination of employment (including the Termination Payment described above) (collectively, “**Ineligible Benefits**”).

The Executive Retirement Benefit constitutes a defined pension plan under IFRS. See “*Executive Compensation – Pension Plan Benefits*”.

Stock Option Plan

The Stock Option Plan contains various provisions that apply in the context of a transaction resulting in a “change of control transaction” (as such term is defined in the Stock Option Plan). In most change of control situations, all unvested Options will be vested. In the context of a change of control transaction where not less than 66²/₃% of vested Options have been exercised, all remaining unexercised Options shall expire and automatically terminate on the date of closing of the change of control transaction and the Corporation shall make a cash payment to the former holders of such Options in an amount equal to the “in-the-money” value of such expired Options at such time. Assuming a change of control transaction occurred on December 31, 2022, the estimated incremental value of the unvested Options for which vesting would be accelerated for each of the Named Executive Officers was \$917,338 based on the difference between the market price of the Common Shares underlying the accelerated Options (which is based on the closing price of the Common Shares on the TSX on December 30, 2022 of \$9.43) and the exercise price of the Options.

Estimated Incremental Payments

As at December 31, 2022, each of Messrs. Tonken, Bosman, Geremia and Humphreys have reached the age of 55 and been employed by Birchcliff for a consecutive period of 10 years. Accordingly, in the event of the termination of their employment (other than for Just Cause), they would be entitled to only the Executive Retirement Benefit, accelerated vesting of Unvested Rights and all earned but unused vacation through to the date of termination, and would not be entitled to the Termination Payment or any other Ineligible Benefits.

The following table sets forth the estimated incremental payments and benefits that would be received by Messrs. Tonken, Bosman, Geremia and Humphreys pursuant to their respective Employment Agreements upon the termination of their employment (other than for Just Cause), in each case assuming the date of termination was December 31, 2022 and assuming no deductions or withholdings:

Name	Termination of Employment (Other than for Just Cause)
Jeff Tonken	Executive Retirement Benefit: \$4,116,000 ⁽¹⁾ Accelerated Option Vesting Value: \$917,338 ⁽²⁾ Total: \$5,033,338
Myles Bosman	Executive Retirement Benefit: \$3,317,500 ⁽¹⁾ Accelerated Option Vesting Value: \$917,338 ⁽²⁾ Total: \$4,234,838
Bruno Geremia	Executive Retirement Benefit: \$3,317,500 ⁽¹⁾ Accelerated Option Vesting Value: \$917,338 ⁽²⁾ Total: \$4,234,838
David Humphreys	Executive Retirement Benefit: \$3,317,500 ⁽¹⁾ Accelerated Option Vesting Value: \$917,338 ⁽²⁾ Total: \$4,234,838

(1) This amount represents the value of the estimated Executive Retirement Benefit as at December 31, 2022, assuming there is no unpaid portion of the Named Executive Officer’s salary accrued through to the date of termination and no minimum amounts or other entitlements required to be paid pursuant to applicable legislation.

(2) Calculated based on the difference between the market price of the Common Shares underlying the accelerated Options (which is based on the closing price of the Common Shares on the TSX on December 30, 2022 (being the last trading day of the year) of \$9.43) and the exercise price of the Options.

As at December 31, 2022, Mr. Carlsen was not eligible for the Executive Retirement Benefit as he had not met the Eligibility Requirements. The following table sets forth the estimated incremental payments and benefits that would be received by Mr. Carlsen pursuant to his Employment Agreement upon the occurrence of the triggering events set forth in the table below, in each case assuming the date of the triggering event was December 31, 2022 and assuming no deductions or withholdings:

Name	Termination of Employment Without Just Cause, Resignation Following a Change of Control or a Constructive Dismissal, or Death	Termination of Employment for Disability
Chris Carlsen	Termination Payment: \$2,654,000 ⁽¹⁾ Accelerated Option Vesting Value: \$917,338 ⁽²⁾ Total: \$3,571,338	Termination Payment: \$2,404,000 ⁽¹⁾⁽³⁾ Accelerated Option Vesting Value: \$508,003 ⁽²⁾⁽⁴⁾ Total: \$2,912,003

- (1) Includes the total value of the "Annual Compensation" as defined in the Employment Agreements multiplied by two, assuming there is no unpaid portion of his salary accrued through to the date of termination and no minimum amounts or other entitlements required to be paid pursuant to applicable legislation.
- (2) Calculated based on the difference between the market price of the Common Shares underlying the accelerated Options (which is based on the closing price of the Common Shares on the TSX on December 30, 2022 (being the last trading day of the year) of \$9.43) and the exercise price of the Options.
- (3) In the event of termination for disability, Mr. Carlsen's Bonus Amount would be calculated as the simple average of bonus he received in respect of the last two fiscal years ended immediately prior to the LTD Date, which in the case of a December 31, 2022 triggering date, would be the years ended December 31, 2018 and December 31, 2019.
- (4) Assumes that Mr. Carlsen would not receive any Options for two years prior to the date of termination as termination for disability would require him to have been on long-term disability during that period.

Pension Plan Benefits

The Executive Retirement Benefit constitutes a defined benefit plan under IFRS. The following table sets forth information in respect of such defined benefit plan for the financial year ended December 31, 2022:

Name	Number of Years of Credited Service ⁽¹⁾	Annual Benefits Payable (\$)		Opening Present Value of Defined Benefit (\$) ⁽⁴⁾	Compensatory Change (\$) ⁽⁵⁾	Non-compensatory Change (\$) ⁽⁶⁾	Closing Present Value of Defined Benefit (\$) ⁽²⁾⁽⁴⁾
		At Year End ⁽²⁾	At Age of Retirement ⁽³⁾				
Jeff Tonken ⁽⁷⁾	18	4,116,000	4,116,000	3,595,072	520,928	–	4,116,000
Myles Bosman	13	2,494,577	3,647,322	2,239,325	189,899	65,353	2,494,577
Chris Carlsen ⁽⁸⁾	–	–	–	–	–	–	–
Bruno Geremia	12	2,300,243	3,746,544	2,050,536	189,697	60,010	2,300,243
David Humphreys	11	2,259,334	3,784,515	2,010,172	190,288	58,874	2,259,334

- (1) Reflects the number of accrued years of credited service for each Named Executive Officer at December 31, 2022 for the purposes of determining the defined benefit obligation under IFRS. Except for Mr. Tonken, each Named Executive Officer's maximum credited years of service begins at the age of 45 and ends at the age of 62, the year when it is expected that the Executive Retirement Benefit for each Named Executive Officer will be fully realized.
- (2) Reflects the Executive Retirement Benefit obligation to each Named Executive Officer based on the number of accrued years of credited service and is determined using actuarial assumption and methods at December 31, 2022 in accordance with IFRS. If a Named Executive Officer does not meet the Eligibility Requirements prior to termination, the Executive Retirement Benefit obligation is nil. At December 31, 2022, Messrs. Tonken, Bosman, Geremia and Humphreys met the Eligibility Requirements. See "Executive Compensation – Termination and Change of Control Benefits".
- (3) Except for Mr. Tonken, the Corporation assumes that at age 62 each Named Executive Officer's service to Birchcliff will be substantially realized in determining the annual benefits payable. The Executive Retirement Benefit obligation disclosed may not reflect the actual cash outlay expected for each Named Executive Officer for the periods indicated.
- (4) The defined benefit obligation is the estimated present value of the pension obligation using the actuarial assumptions and methods that are consistent with those used in determining the pension obligation under IFRS as disclosed by Birchcliff in its annual audited financial statements for the financial year ended December 31, 2022. The methods and assumptions used to determine the estimated amounts may not be identical to those used by other companies and as a result may not be directly comparable to the amounts disclosed by other companies.
- (5) The amounts under "Compensatory Change" represent the increase in the pension obligation related to past and current service costs. The compensatory change for each Named Executive Officer was determined using actuarial assumptions and methods that are consistent with those used in determining the pension obligation under IFRS. This amount may fluctuate significantly from year-to-year as any changes in compensation impact the pension plan obligation. Except for Mr. Tonken, each Named Executive Officer's compensatory change reflects the current service costs beginning January 1, 2022 and ending December 31, 2022.
- (6) The amounts under "Non-Compensatory Change" include interest on the pension obligation.

- (7) Mr. Tonken was employed by the Corporation and had reached the age of 45 at the time of its incorporation on July 6, 2004 and therefore his credited years of service began at that date. At December 31, 2022, the Corporation updated its actuarial assumption for Mr. Tonken to assume that at age 66 he had substantially realized his service to Birchcliff in determining the annual benefits payable. Previously, Mr. Tonken's annual benefits payable assumed that he had substantially realized his service to Birchcliff at the age of 62. The compensatory change for Mr. Tonken reflects an additional four years of accrued credited service to Birchcliff for the past and current service costs.
- (8) Mr. Carlsen had not reached the age of 45 at December 31, 2022 and therefore was not eligible for any accrued credited years of service or Executive Retirement Benefit for the periods indicated.

See *"Executive Compensation – Termination and Change of Control Benefits"*. The Corporation does not have a defined contribution plan.

DIRECTOR COMPENSATION

Summary Compensation for Directors

Matters related to the compensation of the non-employee directors of the Corporation are approved by the Compensation Committee, which then makes a recommendation to the full Board for approval. Compensation for the non-employee directors of the Corporation currently consists of an annual retainer and a fee for each meeting of the Board or any committee thereof attended. Meeting fees are typically paid periodically throughout the year and the annual retainer is typically paid following the annual meeting of Shareholders of the Corporation. During the financial year ended December 31, 2022, the per meeting fees were \$1,500. The retainer for the period from January 1, 2022 to May 11, 2022 was \$140,000, which was subsequently increased to \$165,000 following the annual meeting of Shareholders held on May 12, 2022. During the financial year ended December 31, 2022, neither Mr. Tonken nor Mr. Surbey received any compensation in their capacity as directors of the Corporation. During the financial year ended December 31, 2022, Mr. Surbey received compensation as an employee of the Corporation, all of which is set forth in the table below. Compensation information for Mr. Tonken is provided under the heading *"Executive Compensation – Summary Compensation for Named Executive Officers"*.

While the directors may be granted Options under the Stock Option Plan, no Options have been granted to non-employee directors since 2011.

The following table sets forth information in respect of all amounts of compensation provided to the directors of the Corporation for the financial year ended December 31, 2022, excluding Mr. Tonken:

Name	Annual Retainer and Meeting Fees Earned (\$)	Option-based Awards (\$)	All Other Compensation ⁽¹⁾ (\$)	Total (\$)
Dennis Dawson	214,500	–	39,727	254,227
Debra Gerlach	214,500	–	47,362	261,862
Stacey McDonald	214,500	–	48,177	262,677
James Surbey ⁽²⁾	–	–	223,841	223,841

(1) Includes: (i) life and medical insurance premiums and Best Doctors Medical Access and medical travel insurance; (ii) reimbursement of amounts under the Corporation's health care spending account; (iii) a one-time cost of living adjustment payment that was also paid to all employees of the Corporation other than executive officers; (iv) taxable parking benefits in the case of Mr. Surbey; and (v) additional medical benefits in the case of Ms. Gerlach, Ms. McDonald and Mr. Surbey.

(2) During the year ended December 31, 2022, Mr. Surbey was an employee of the Corporation and received compensation in that capacity. Mr. Surbey did not receive compensation in his capacity as a director during the year ended December 31, 2022. *"All Other Compensation"* in the table refers to Mr. Surbey's employment compensation, including his annual salary and vacation pay of \$10,238, as well as the benefits set out above.

Incentive Plan Awards

Outstanding Option-Based Awards

At December 31, 2022, there were no outstanding option-based awards held by the directors of the Corporation, other than Mr. Tonken.

Value Vested or Earned During the Year

During the financial year ended December 31, 2022, no value vested in respect of any option-based awards held by any of the directors and no non-equity incentive plan compensation was earned by any of the directors, other than Mr. Tonken. See “Executive Compensation – Incentive Plan Awards – Value Vested or Earned During the Year”.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth certain details relating to the equity compensation plans of the Corporation at December 31, 2022:

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options, Performance Warrants and Rights (A)	Weighted-average Exercise Price of Outstanding Options, Performance Warrants and Rights (B)	Number of Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding those Reflected in Column (A)) (C)
Equity compensation plans approved by Shareholders ⁽¹⁾	Options: 20,322,784 Performance Warrants: 404,967 Options and Performance Warrants: 20,727,751	Options: \$5.53 Performance Warrants: \$3.00 Options and Performance Warrants: \$5.48	Options: 6,281,897 ⁽²⁾ Performance Warrants: Nil Options and Performance Warrants: 6,281,897
Equity compensation plans not approved by Shareholders	Nil	N/A	N/A

- (1) For a description of the Stock Option Plan, see “Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – The Stock Option Plan”. Performance warrants (“Performance Warrants”) to acquire Common Shares were originally granted on January 18, 2005 as a long-term incentive to the members of the Corporation’s management team. The issued and outstanding Performance Warrants expire on January 31, 2025. As of December 31, 2022, all of the issued and outstanding Performance Warrants were held in trust for the benefit of the former spouse of Mr. Geremia.
- (2) The maximum number of Common Shares issuable under Options that are issued and outstanding at any time under the Stock Option Plan shall not exceed 10% of the aggregate number of Common Shares actually outstanding at that time, as determined on a non-diluted basis. At December 31, 2022, there were 266,046,810 Common Shares issued and outstanding and accordingly, a maximum of 26,604,681 Common Shares could be issued under the Stock Option Plan as at that date. At December 31, 2022, there was an aggregate of 20,322,784 Options issued and outstanding (representing approximately 8% of the issued and outstanding Common Shares), leaving 6,281,897 Common Shares (representing approximately 2% of the issued and outstanding Common Shares) available for issuance under the Stock Option Plan as at that date.

The following table sets forth the number of Options granted during the three most recently completed financial years and the potential dilutive effect of such Options:

Plan	Year	Weighted-average Common Shares		
		Number of Options Granted (A)	Outstanding ⁽¹⁾ (B)	Burn Rate (A)/(B) ⁽²⁾ (C)
Stock Option Plan	2022	5,995,300	265,547,793	2.26%
	2021	5,689,100	265,990,029	2.14%
	2020	5,403,200	265,936,367	2.03%

- (1) The weighted average number of Common Shares outstanding during the year is the number of Common Shares outstanding at the beginning of the year, adjusted by the number of Common Shares bought back or issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the Common Shares are outstanding as a proportion of the total number of days in the year.
- (2) The burn rate is calculated as follows and expressed as a percentage: (i) the number of Options granted under the Stock Option Plan during the applicable financial year, divided by (ii) the weighted average number of Common Shares outstanding for the applicable financial year.

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

The Board currently consists of five directors, three of whom are independent. Accordingly, a majority of the directors are independent. Birchcliff considers a director to be “independent” if the director is independent within the meaning of Section 1.4 of National Instrument 52-110 – *Audit Committees (“NI 52-110”)*. The current independent directors are Dennis Dawson, Debra Gerlach and Stacey McDonald. Mr. Tonken is not considered to be an independent director by virtue of his position as the Chief Executive Officer of the Corporation. Mr. Surbey, who served as the Vice President, Corporate Development and Corporate Secretary of the Corporation until June 30, 2017, is not considered to be an independent director due to the fact that he continued as an employee of the Corporation until December 31, 2022. At the Meeting, Shareholders will be asked to elect each of the current directors of the Corporation. See “*Business of the Meeting – Election of Directors*”.

Mr. Tonken has been the Chairman of the Board since May 11, 2017. As Mr. Tonken is not considered independent, Mr. Dawson was appointed as the independent Lead Director at that time. The primary role of the Lead Director is to act as a liaison between the independent directors of the Board and the management of the Corporation to ensure that the Board is organized properly, functions effectively and meets its obligations and responsibilities. In furtherance of these responsibilities, the duties of the Lead Director include: (i) assisting the Chairman of the Board in ensuring that the Board is able to function independently of management; (ii) chairing the *in camera* portions of the Board meetings held without the management of the Corporation or any non-independent director being present; and (iii) acting as a liaison between the Chairman and the independent directors on sensitive issues.

Independent Board members conduct *in camera* sessions without management following all Board meetings. During the financial year ended December 31, 2022, *in camera* sessions were held by the independent directors of the Corporation after each Board meeting for a total of 14 *in camera* sessions. In addition, the Board facilitates open and candid discussion among its independent directors by encouraging the independent directors to meet by themselves whenever they wish to do so and by ensuring that there is the opportunity for the independent directors to meet without any members of management present at meetings of the Audit Committee, the Compensation Committee, the EHSS Committee, the Nominating Committee and the Reserves Evaluation Committee. The independent directors, as members of the Audit Committee and the Reserves Evaluation Committee, also meet privately with the Corporation’s auditors and the Corporation’s independent qualified reserves evaluator for the purposes of planning their activities and thereafter to supervise such activities. These meetings also ensure that the auditors and the independent qualified reserves evaluator have an opportunity to: (i) advise if they received full access to all requested information and received full cooperation of management; and (ii) confirm that they are not subject to any pressure from management, that there are no outstanding disagreements with management, that they are not aware of any evidence of illegal or fraudulent acts and that they are not aware of any other significant matters that should be brought to the attention of the independent directors.

Meeting Attendance

During 2022, the Board and committee meeting attendance rate was 100% for all directors except Jeff Tonken, who attended all but one of 14 Board meetings. The attendance record of each of the directors for the Board and the Board committees meetings for the applicable committee members held in 2022 is set forth in the table below. Directors are also encouraged to attend committee meetings as guests for those committees where they are not members and, subject to exceptional circumstances, all directors attend all committee meetings:

Director	Board Meetings Attended	Audit Committee Meetings Attended	Compensation Committee Meetings Attended	EHSS Committee Meetings Attended	Nominating Committee Meetings Attended	Reserves Evaluation Committee Meetings Attended
Dennis Dawson	14 of 14	6 of 6	5 of 5	3 of 3	1 of 1	4 of 4
Debra Gerlach	14 of 14	6 of 6	5 of 5	3 of 3	1 of 1	4 of 4
Stacey McDonald	14 of 14	6 of 6	5 of 5	3 of 3	1 of 1	4 of 4
James Surbey	14 of 14	N/A	N/A	N/A	N/A	4 of 4
Jeff Tonken (Chairman)	13 of 14	N/A	N/A	3 of 3	N/A	N/A

Other Directorships

Ms. McDonald sits on the board of directors of one other reporting issuer, Bonterra Energy Corp., and Ms. Gerlach sits on the board of directors of one other reporting issuer, Peyto Exploration & Development Corp. Other than as set out above, none of Birchcliff's directors are directors of any other reporting issuer.

Board Mandate

The Board does not have a written mandate. The Board delineates its role and responsibilities based on the statutory and common law applicable to the Corporation, as well as through ongoing evaluation and review with management of the current needs of the Corporation. Based on these factors, the Board acts on its mandate to oversee and direct the management of the business and affairs of the Corporation. While day-to-day management of the Corporation has been delegated by the Board to Birchcliff's executive officers, the Board fulfills its responsibility for the broader stewardship of the Corporation's business and affairs through its regular meetings at which members of the Corporation's management report to the Board with respect to the Corporation's business and operations, make proposals to the Board and receive the Board's decisions for implementation.

To monitor corporate performance, the Board reviews and approves budgets prepared by management on at least an annual basis and periodically receives production updates and internal financial reports. The Board also receives operational, financial and EHSS reports on at least a quarterly basis. In addition, the Board receives informal updates from the Chief Executive Officer on a regular basis. After the end of each year, the Board reviews production growth, finding and development costs, outstanding debt and cash flow as compared to the Corporation's budget.

Position Descriptions

The Board has developed and approved written position descriptions for the Chairman of the Board, the Chief Executive Officer and the Chair of each committee of the Board, which can be found on the Corporation's website at <http://birchcliffenergy.com/investors/corporate-governance/>.

The principal role of the Chairman of the Board is to organize and manage the affairs of the Board and provide overall leadership to the Board in order for it to function effectively and fulfill its duties and responsibilities. The principal role of the Chief Executive Officer is to provide overall leadership and direction for the Corporation in accordance with the corporate strategy and objectives approved by the Board. The Chief Executive Officer is ultimately responsible for all day-to-day management decisions and for implementing the Corporation's current and long-term objectives. The principal role of the Chair of any committee of the Board is to organize and manage the business of the committee.

Orientation and Continuing Education

As new directors join the Board, they are provided with a director's information package, which includes, among other things, copies of the Corporation's Board committee mandates and other corporate governance documents, copies of various corporate policies and copies of the Corporation's constating documents, as well as financial reports, press releases and other continuous disclosure documents of the Corporation. The new director is provided with time to meet with each of the other directors and members of Birchcliff's executive and senior management. These meetings are provided in order for the new director to understand the business, as well as to interact with management and gain an understanding of their respective responsibilities. The Board believes that these procedures are a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation and the experience and expertise of the directors.

The Board supports any relevant educational initiative by any individual director and will reimburse directors for expenses for continuing education programs that relate to their role as a director of Birchcliff, including applicable continuing professional development programs relating to a director's professional designation. In 2022, Birchcliff's directors attended various continuing education and professional development programs and conferences, including seminars and webcasts. During 2022, Ms. Gerlach obtained the Chartered Professional Accountants ("CPA") of Canada Audit Committee Certificate, which involved formal evaluations on coursework and a live workshop to obtain. She also attended the CPA of Alberta's Evolve 2022 Conference and the CPA of Canada's Audit Committee Conference and completed her mandatory CPA continuing professional education requirements. Messrs. Dawson and Surbey completed the Law Society of Alberta's Indigenous Cultural Competency Education (The Path) in 2022. The Path addresses various calls to action from Canada's Truth and Reconciliation Commission, in particular, #27, which calls upon Canadian law societies to ensure all lawyers have received appropriate cultural competency training, which includes the history and legacy of residential schools, the United Nations Declaration on the Rights of Indigenous Peoples, Treaties and Aboriginal rights, Indigenous law, and Aboriginal – Crown relations.

Birchcliff also provides continuing education opportunities with respect to the business and operations. At quarterly meetings, the Board receives an update on Birchcliff's business, operations and performance and a memorandum from management on accounting policy changes and the Corporation's internal controls. In addition, management periodically provides the Board with continuing education materials relating to Birchcliff, the oil and natural gas industry and/or current issues relating to directors in Canada. The Board is also able to obtain legal and accounting advice whenever it considers it necessary to keep abreast of current developments relating to the obligations of directors.

Ethical Business Conduct

The Board has adopted a written policy of ethical business conduct (the "**Ethics Policy**") for the directors, officers and employees of the Corporation. A copy of the Ethics Policy is available on the Corporation's intranet site and each new employee receives a copy of the Ethics Policy. The Board does not formally monitor compliance with the Ethics Policy; however, all employees agree to comply with all of the Corporation's policies when they commence employment with the Corporation. Any non-compliance with the Ethics Policy would be addressed by management and could result in discipline up to and including termination. The executive officers of Birchcliff would also report to the Board any non-compliance that would have a material impact on Birchcliff. A copy of the Ethics Policy may be obtained by contacting the Corporate Secretary of the Corporation. See "*Additional Information*".

The Board expects that each director will exercise independent judgment in considering transactions and agreements in respect of which such director has a material interest and in those circumstances will comply with applicable law and disclose his or her interest and refrain from participating in discussions or voting on the matter, in accordance with the requirements of the ABCA.

The Audit Committee and the Board have adopted a Whistleblower Policy to provide for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Under the Whistleblower Policy, the Board encourages the submission of all good faith concerns and complaints regarding the Corporation's accounting, auditing and financial reporting matters and provides that no retaliation of any kind is permitted against any individual for complaints or concerns made in good faith.

Nomination of Directors

The Nominating Committee assists the Board in fulfilling its responsibilities with respect to nominations of directors. The members of the Nominating Committee are Dennis Dawson (Chair), Debra Gerlach and Stacey McDonald, all of whom are independent. As set out in its charter, the Nominating Committee is responsible for, among other things: (i) periodically reviewing the size and composition of the Board and making recommendations to the Board with respect thereto; (ii) periodically evaluating the effectiveness of the Board as a whole, the committees of the Board and the contributions of the individual directors and reporting to the Board thereon; and (iii) making recommendations to the Board regarding the criteria for potential director candidates and identifying and recommending to the Board suitable candidates to be appointed or nominated for election as directors, including at annual meetings of Shareholders of the Corporation. In making recommendations to the Board regarding director nominations, the Nominating Committee considers all relevant factors, including: (i) the needs of the Corporation and its stage of development; (ii) the competencies and skills that are considered necessary for the Board, as a whole, to possess; (iii) the competencies and skills that each existing director possesses; (iv) the competencies and skills any new nominee would bring to the Board; and (v) whether or not any new nominee can devote sufficient time and resources to fulfill his or her duties as a member of the Board. Gender diversity is also taken into account as discussed in further detail below under the heading “Corporate Governance Disclosure – Gender Diversity”.

The Board is ultimately responsible for nominating for appointment any new directors and directors are selected for their integrity and character, sound judgment, breadth of experience, insight into and knowledge of Birchcliff’s business and the oil and natural gas industry and overall business acumen. Each director is expected to devote a sufficient amount of time and resources and to apply sound and reasonable business judgment in aiding the Board to make thoughtful and informed decisions.

Board Committees

The following table sets forth the committees of the Board and the members of each committee as at the date of this Information Circular.

Committee	Members	Independent
Audit Committee	Debra Gerlach (Chair)	Yes
	Dennis Dawson	Yes
	Stacey McDonald	Yes
Compensation Committee	Dennis Dawson (Chair)	Yes
	Debra Gerlach	Yes
	Stacey McDonald	Yes
EHSS Committee	Stacey McDonald (Chair)	Yes
	Dennis Dawson	Yes
	Debra Gerlach	Yes
	Jeff Tonken	No
Nominating Committee	Dennis Dawson (Chair)	Yes
	Debra Gerlach	Yes
	Stacey McDonald	Yes
Reserves Evaluation Committee	James Surbey (Chair)	No
	Dennis Dawson	Yes
	Debra Gerlach	Yes
	Stacey McDonald	Yes

Formal charters for each of the committees can be found at <http://birchcliffenergy.com/investors/corporate-governance/>. The following sets forth a brief description of each of the committees.

Audit Committee

The Audit Committee is responsible for, among other things: (i) recommending to the Board the person or firm to be nominated as the auditors for the purposes of preparing or issuing an auditor’s report or performing other audit,

review or attest services for the Corporation; (ii) overseeing the work of the auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the auditors regarding financial reporting; (iii) reviewing and reporting to the Board on the Corporation's interim and annual financial statements and related management's discussion and analysis before those materials are filed with applicable regulatory authorities and publicly disclosed; (iv) reviewing and reporting to the Board on the Corporation's annual and interim earnings press releases before the Corporation publicly discloses this information; and (v) overseeing management's reporting on internal controls.

The Audit Committee has developed and adopted a formal charter and the text of that charter, together with other disclosure required by NI 52-110, is contained in the Annual Information Form of the Corporation for the year ended December 31, 2022, which is available on SEDAR at www.sedar.com.

Compensation Committee

Information regarding the Compensation Committee, including the relevant education and experience of its members and its roles and responsibilities, is disclosed above under the heading "*Executive Compensation – Compensation Discussion and Analysis – Compensation Governance*". For information regarding the process by which the Board determines the compensation for the Corporation's Named Executive Officers and directors, see "*Executive Compensation – Compensation Discussion and Analysis*" and "*Director Compensation*".

Reserves Evaluation Committee

The Reserves Evaluation Committee is responsible for, among other things: (i) reviewing and making recommendations to the Board regarding the appointment of the independent qualified reserves evaluator under National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"); (ii) reviewing and confirming on at least an annual basis that the independent qualified reserves evaluator is independent; (iii) overseeing the work of the independent qualified reserves evaluator in preparing reserves reports; (iv) reviewing all reserves reports prepared by the independent qualified reserves evaluator with management of the Corporation and the independent qualified reserves evaluator and making recommendations to the Board regarding the approval thereof; and (v) reviewing all reports and statements required to be filed pursuant to NI 51-101.

Environment, Health, Safety and Sustainability Committee

The EHSS Committee is responsible for, among other things: (i) ensuring that the Corporation's business is conducted in a socially responsible, ethical and transparent manner and that management of the Corporation engages, respects and supports the communities in which the Corporation works; (ii) reviewing reports from management of the Corporation on the Corporation's performance in the areas relating to EHSS; (iii) reviewing reports from management of the Corporation concerning significant reported incidents related to EHSS matters and where appropriate, meeting with management to review the risks and exposure posed and any mitigating actions and corrective measures taken by the Corporation to address such risks and exposure; (iv) reviewing reports from management of the Corporation concerning significant issues or risks related to EHSS matters that have been identified by the Corporation; (v) reviewing any significant report or audit issued by a regulatory agency, external consultant or auditor and any necessary corrective measures taken to address issues and risks identified by regulatory agencies, external consultants or auditors; (vi) reviewing the Corporation's public disclosure of its performance in the areas of EHSS, including but not limited to the Corporation's ESG Reports, Annual Information Forms and Management Information Circulars; (vii) reviewing the Corporation's significant communications with stakeholders on EHSS issues; (viii) ensuring that management of the Corporation proactively identifies and monitors the impact of proposed legislation and other emerging issues in the areas of EHSS, as well as other emerging issues, trends and public opinion which could impact the Corporation's activities, plans, strategies or reputation and recommending, where significant, appropriate responses to the Board; and (ix) reviewing the Corporation's fundamental policies and internal controls pertaining to EHSS matters and reviewing procedures designed to minimize EHSS risks to asset value and mitigate such risks.

Nominating Committee

Information regarding the Nominating Committee is disclosed above under the heading “*Corporate Governance Disclosure – Nomination of Directors*”.

Assessments

The Board has established a formal process for the regular evaluation of the effectiveness and contribution of the Board, its committees and individual directors. Each director is required to annually complete a questionnaire to assess the Board’s effectiveness and performance. The questionnaire solicits feedback on various areas such as Board and committee effectiveness, processes for Board and committee meetings, director knowledge and corporate governance. The questionnaire is administered by the Chairman of the Board, who compiles and analyzes the results. In an effort to continuously improve this process, the format, focus and content of the written questionnaire is periodically reviewed by the Chairman.

Director Term Limits and Other Mechanisms of Board Renewal

The Nominating Committee and the Board recognize the benefit that new perspectives, ideas and experience can offer and thus are supportive of periodic Board renewal. However, the Nominating Committee and the Board also believe that it is important to have directors who are knowledgeable of and thoroughly understand Birchcliff’s business and the industry in which it operates, which the Board believes comes from time and experience. Therefore, the Nominating Committee and the Board believe that the imposition of arbitrary director term limits and mandatory retirement ages 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. In addition, the Nominating Committee and the Board believe that Shareholders are better served by the regular assessment of the effectiveness of the Board, Board committees and the effectiveness and contribution of individual directors together with periodic Board renewal, rather than arbitrary age and tenure limits. Accordingly, the Board has not adopted term limits for the directors on the Board, mandatory retirement ages or other mechanisms of board renewal, other than the assessment process described above under the heading “*Corporate Governance Disclosure – Assessments*”.

As noted above, the Nominating Committee and the Board are supportive of periodic Board renewal and the Board has undergone renewal in recent years. In the last five years, one director retired, one director resigned and one new director joined the Board. Of the proposed nominees for election as directors at the Meeting, 20% have a tenure of five years or less and 60% have a tenure of six years or less. The Board believes that the Board’s current tenure profile strikes the appropriate balance between experience and diversity and the need for renewal.

Gender Diversity

As at the date of this Information Circular, the number of women on the Board is two (40%) and the number of women in executive officer positions is one (12.5%). Following the Meeting, the number of women on the Board will be two (40%), assuming that all of proposed nominees set out herein are elected to the Board.

The Board and Nominating Committee consider the level of representation of women on the Board in appointing, nominating, or recommending for nomination, as applicable, candidates for election or appointment to the Board. In identifying and nominating candidates for election or appointment, the Nominating Committee and the Board consider various factors, including, but not limited to: (i) the individual merits of each potential candidate, including their skills, education, background, experience and any previous contributions to the Corporation; (ii) the number and qualities of potential candidates and whether any such candidates are women; (iii) the current composition of the Board; and (iv) the other factors set forth under the heading “*Corporate Governance Disclosure – Nomination of Directors*”. The ultimate selection will be based on serving the best interests of the Corporation.

Although the Nominating Committee and the Board consider the level of representation of women on the Board in identifying and nominating candidates, the Board has not adopted a written policy relating to the identification and nomination of women directors. The directors of the Corporation have a fiduciary duty to act in the best interests of the Corporation. As part of that duty, the Board believes that it is required to select and nominate for election or

appointment as directors those individuals who will best serve the interests of the Corporation, regardless of gender. The Board believes that implementing such a policy will potentially restrict the Board's ability to select those individuals who will best serve the interests of the Corporation.

The Corporation considers the level of representation of women in executive officer positions when making executive officer appointments. In making executive officer appointments, the Corporation considers various factors, including, but not limited to: (i) the individual merits of each potential candidate, including their skills, education, background, experience and any previous contributions to the Corporation; (ii) the number and qualities of potential candidates and whether any such candidates are women; (iii) the current composition of the executive officers; and (iv) the needs of the Corporation. The ultimate selection will be based on serving the best interests of the Corporation.

The Corporation has not adopted specific targets for gender or other dimensions of diversity at the Board or executive officer level due to the relatively small size of these groups. In addition, the Corporation believes that it is important that each appointment to the Board and at the executive officer level be made, and be perceived as being made, based on the merits of the individual and the needs of the Corporation at the relevant time. If specific targets were adopted based on specific criteria, including gender, this could limit the Corporation's ability to ensure that the overall composition of the Board and its team of executive officers meets the needs of the Corporation.

Environmental, Social and Governance Responsibility

Birchcliff recognizes the importance of, and its responsibility for, environmental stewardship and social responsibility. One of the Corporation's primary goals is to create and preserve a safe and environmentally responsible organization. As an organization that strives for continuous improvement, Birchcliff continues to identify, develop and utilize new technology, systems and processes that it believes will help reduce its environmental footprint and create a safer work environment.

Recognizing the ongoing importance of ESG matters to the health and success of Birchcliff, the Board formed its EHSS Committee in 2022. The EHSS Committee's mandate clearly sets out the responsibilities that the Board has delegated to the EHSS Committee. In fulfilling its mandate, the EHSS Committee receives detailed reports from management on ESG-related matters, including the Corporation's safety performance, total recordable incident frequency, asset retirement and reclamation activities and the Corporation's liability management rating. It also reviews the Corporation's public disclosure of ESG matters, including the annual ESG Report, prior to release. See "*Corporate Governance Disclosure – Board Committees – Environment, Health, Safety and Sustainability Committee*".

In addition to the oversight provided by the Board and EHSS Committee, Birchcliff has established the following committees, which are comprised of members of management:

- GHG Regulatory Compliance Committee: The purpose of this committee is to help ensure that there is corporate-wide awareness and compliance with the latest provincial and federal GHG legislation requirements which impact Birchcliff's operations.
- ESG Committee: The purpose of this committee is to drive continuous improvement of Birchcliff's ESG-related corporate metrics by: (i) establishing and monitoring ESG-related key performance indicators; (ii) developing and maintaining an effective strategy to communicate ESG-related key performance indicators; and (iii) identifying, prioritizing and directing initiatives to improve ESG key performance indicators within the Corporation.

A copy of the Corporation's ESG Report, which provides additional information regarding Birchcliff's ESG initiatives and activities, is available on the Corporation's website at www.birchcliffenergy.com.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is or has been a director, executive officer or employee of the Corporation at any time since the beginning of the financial year ended December 31, 2022, nor any proposed nominee for election as a director of the Corporation, nor any associate of any such directors, executive officers or proposed nominees, is or was indebted to: (i) the Corporation; or (ii) another entity where such indebtedness is or was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, in either case at any time since the beginning of the financial year ended December 31, 2022.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has or has had at any time since the beginning of the financial year ended December 31, 2022, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

There are potential conflicts of interest to which the directors and executive officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and executive officers of the Corporation are engaged and will continue to be engaged in other business opportunities on their own behalf and on behalf of other corporations and situations could arise where such directors and executive officers would be in competition with the Corporation. Any such actual or potential conflicts of interest shall be governed by applicable law.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information relating to the Corporation is provided in the Corporation's financial statements and management's discussion and analysis ("MD&A") for the financial year ended December 31, 2022, copies of which are available on SEDAR at www.sedar.com. Any securityholder may obtain a paper copy of the Corporation's financial statements and MD&A for the financial year ended December 31, 2022 by contacting the Corporate Secretary of Birchcliff by e-mail, regular mail or telephone as set forth below:

Birchcliff Energy Ltd.
1000, 600 – 3rd Avenue S.W.
Calgary, Alberta T2P 0G5
Phone: 403-261-6401
Email: info@birchcliffenergy.com

ADVISORIES

Forward-Looking Statements

Certain statements contained in this Information Circular constitute forward-looking statements and forward-looking information (collectively referred to as “**forward-looking statements**”) within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this Information Circular relate to future events or Birchcliff’s future plans, strategy, operations, performance or financial position and are based on Birchcliff’s current expectations, estimates, projections, beliefs and assumptions. Such forward-looking statements have been made by Birchcliff in light of the information available to it at the time the statements were made and reflect its experience and perception of historical trends. All statements and information other than historical fact may be forward-looking statements. Such forward-looking statements are often, but not always, identified by the use of words such as “seek”, “plan”, “focus”, “future”, “outlook”, “position”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “forecast”, “guidance”, “potential”, “proposed”, “predict”, “budget”, “continue”, “targeting”, “may”, “will”, “could”, “might”, “should”, “would”, “on track” and other similar words and expressions.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements. Although Birchcliff believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct and Birchcliff makes no representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements. In particular, this Information Circular contains forward-looking statements relating to the following: Birchcliff’s plans and other aspects of its anticipated future performance, focus, objectives, strategies, opportunities, priorities and goals; the business and procedure for the Meeting; the composition of the Board following the Meeting and the number of women on the Board following the Meeting; the belief of the Board and Compensation Committee that Birchcliff’s compensation program has been designed in such a way that prevents inappropriate risk-taking; and the Corporation’s belief that new technology, systems and processes will help reduce its environmental footprint and create a safer work environment.

With respect to the forward-looking statements contained in this Information Circular, assumptions have been made regarding, among other things: the degree to which the Corporation’s results of operations and financial condition will be disrupted by circumstances attributable to the COVID-19 pandemic; prevailing and future commodity prices and differentials, exchange rates, interest rates, inflation rates, royalty rates and tax rates; the state of the economy, financial markets and the exploration, development and production business; the political environment in which Birchcliff operates; the regulatory framework regarding royalties, taxes, environmental, climate change and other laws; the Corporation’s ability to comply with existing and future laws; future cash flow, debt and dividend levels; future operating, transportation, G&A and other expenses; Birchcliff’s ability to access capital and obtain financing on acceptable terms; the timing and amount of capital expenditures and the sources of funding for capital expenditures and other activities; the sufficiency of budgeted capital expenditures to carry out planned operations; the successful and timely implementation of capital projects and the timing, location and extent of future drilling and other operations; results of operations; Birchcliff’s ability to continue to develop its assets and obtain the anticipated benefits therefrom; the performance of existing and future wells; reserves volumes and Birchcliff’s ability to replace and expand reserves through acquisition, development or exploration; the impact of competition on Birchcliff; the availability of, demand for and cost of labour, services and materials; the approval of the Board of future dividends; the ability to obtain any necessary regulatory or other approvals in a timely manner; the satisfaction by third parties of their obligations to Birchcliff; the ability of Birchcliff to secure adequate processing and transportation for its products; Birchcliff’s ability to successfully market natural gas and liquids; the results of the Corporation’s risk management and market diversification activities; and Birchcliff’s natural gas market exposure.

Birchcliff’s actual results, performance or achievements could differ materially from those anticipated in the forward-looking statements as a result of both known and unknown risks and uncertainties including, but not limited to: the risks posed by pandemics (including COVID-19), epidemics and global conflict (including the Russian invasion

of Ukraine) and their impacts on supply and demand and commodity prices; actions taken by OPEC and other major producers of crude oil and the impact such actions may have on supply and demand and commodity prices; the uncertainty of estimates and projections relating to production, revenue, costs, expenses and reserves; the risk that any of the Corporation's material assumptions prove to be materially inaccurate; general economic, market and business conditions which will, among other things, impact the demand for and market prices of Birchcliff's products and Birchcliff's access to capital; volatility of crude oil and natural gas prices; risks associated with increasing costs, whether due to high inflation rates, supply chain disruptions or other factors; fluctuations in exchange and interest rates; stock market volatility; loss of market demand; an inability to access sufficient capital from internal and external sources on terms acceptable to the Corporation; risks associated with Birchcliff's Credit Facilities, including a failure to comply with covenants under the agreement governing the Credit Facilities and the risk that the borrowing base limit may be redetermined; fluctuations in the costs of borrowing; operational risks and liabilities inherent in oil and natural gas operations; the occurrence of unexpected events such as fires, severe weather, explosions, blow-outs, equipment failures, transportation incidents and other similar events; an inability to access sufficient water or other fluids needed for operations; uncertainty that development activities in connection with Birchcliff's assets will be economic; an inability to access or implement some or all of the technology necessary to operate its assets and achieve expected future results; the accuracy of estimates of reserves, future net revenue and production levels; geological, technical, drilling, construction and processing problems; uncertainty of geological and technical data; horizontal drilling and completions techniques and the failure of drilling results to meet expectations for reserves or production; uncertainties related to Birchcliff's future potential drilling locations; delays or changes in plans with respect to exploration or development projects or capital expenditures; the accuracy of cost estimates and variances in Birchcliff's actual costs and economic returns from those anticipated; incorrect assessments of the value of acquisitions and exploration and development programs; changes to the regulatory framework in the locations where the Corporation operates, including changes to tax laws, Crown royalty rates, environmental laws, climate change laws, carbon tax regimes, incentive programs and other regulations that affect the oil and natural gas industry; political uncertainty and uncertainty associated with government policy changes; actions by government authorities; an inability of the Corporation to comply with existing and future laws and the cost of compliance with such laws; dependence on facilities, gathering lines and pipelines; uncertainties and risks associated with pipeline restrictions and outages to third-party infrastructure that could cause disruptions to production; the lack of available pipeline capacity and an inability to secure adequate and cost-effective processing and transportation for Birchcliff's products; an inability to satisfy obligations under Birchcliff's firm marketing and transportation arrangements; shortages in equipment and skilled personnel; the absence or loss of key employees; competition for, among other things, capital, acquisitions of reserves, undeveloped lands, equipment and skilled personnel; management of Birchcliff's growth; environmental and climate change risks, claims and liabilities; potential litigation; default under or breach of agreements by counterparties and potential enforceability issues in contracts; claims by Indigenous peoples; the reassessment by taxing or regulatory authorities of the Corporation's prior transactions and filings; unforeseen title defects; third-party claims regarding the Corporation's right to use technology and equipment; uncertainties associated with the outcome of litigation or other proceedings involving Birchcliff; uncertainties associated with counterparty credit risk; risks associated with Birchcliff's risk management and market diversification activities; risks associated with the declaration and payment of future dividends, including the discretion of the Board to declare dividends and change the Corporation's dividend policy and the risk that the amount of dividends may be less than currently forecast; the failure to obtain any required approvals in a timely manner or at all; the failure to complete or realize the anticipated benefits of acquisitions and dispositions and the risk of unforeseen difficulties in integrating acquired assets into Birchcliff's operations; negative public perception of the oil and natural gas industry and fossil fuels; the Corporation's reliance on hydraulic fracturing; market competition, including from alternative energy sources; changing demand for petroleum products; the availability of insurance and the risk that certain losses may not be insured; breaches or failure of information systems and security (including risks associated with cyber-attacks); risks associated with the ownership of the Corporation's securities; and the accuracy of the Corporation's accounting estimates and judgments.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other risk factors that could affect results of operations, financial performance or financial results are included in the Corporation's Annual Information Form under the heading "*Risk Factors*" and in other reports filed with Canadian securities regulatory authorities.

Management has included the above summary of assumptions and risks related to forward-looking statements provided in this Information Circular in order to provide readers with a more complete perspective on Birchcliff's future operations and management's current expectations relating to Birchcliff's future performance. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking statements contained in this Information Circular are expressly qualified by the foregoing cautionary statements. The forward-looking statements contained herein are made as of the date of this Information Circular. Unless required by applicable laws, Birchcliff does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

APPENDIX "A"
STOCK OPTION PLAN



BIRCHCLIFF ENERGY LTD.

STOCK OPTION PLAN

As Amended and Restated March 27, 2023

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ARTICLE 1
INTERPRETATION

1.1 Purpose of the Plan

The purpose of this Plan is to develop the interest of Optionees in the growth and development of the Corporation by providing such persons with the opportunity to acquire an increased proprietary interest in the Corporation and to better enable the Corporation and its subsidiaries to attract and retain persons of desired experience and ability.

1.2 Definitions

In this Plan, the following terms have the following meanings:

- (a) **"Affiliate"** has the meaning assigned by the Securities Act;
- (b) **"Associate"** has the meaning assigned by the Securities Act;
- (c) **"Black-Out Period"** means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option;
- (d) **"Board of Directors"** means the board of directors of the Corporation;
- (e) **"Change of Control Transaction"** means any of the following:
 - (i) the acquisition (including the acquisition through the issuance by the Corporation) of Voting Securities and/or Convertible Securities by a Control Person that results in such Control Person holding Voting Securities and/or Convertible Securities in excess of the number that, alone or following conversion of all then outstanding Convertible Securities, would entitle such Control Person to cast more than 50% of the votes attaching to all securities of the Corporation that may be cast to elect directors of the Corporation;
 - (ii) the amalgamation, consolidation, merger or arrangement (a **"Transaction"**) of the Corporation with any other corporation or entity that is not an Affiliate of the Corporation that results in the Voting Securities and/or Convertible Securities being exchanged for a number of securities (**"Amalco Securities"**) of the amalgamated, consolidated, merged or arranged corporation or entity (**"Amalco"**) that, either alone or following conversion of all convertible securities of Amalco, would not entitle the shareholders of the Corporation immediately prior to the Transaction (after excluding from consideration Amalco Securities that were acquired by such shareholders other than in exchange for Voting Securities or Convertible Securities) to cast more than 50% of the votes attaching to all Amalco Securities that may be cast to elect directors of Amalco;
 - (iii) the liquidation, dissolution or winding up of the Corporation or the sale, lease, exchange or other disposition by the Corporation of all or substantially all of its assets (other than pursuant to an internal reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the security holdings in the continuing entity are such that the transaction would not be considered a Change of Control Transaction if paragraph (ii) above was applicable to the transaction);
 - (iv) the election at a meeting of the Corporation's shareholders of that number of persons which would represent a majority of the Board of Directors, as directors of the

Corporation who are not included in the slate for election as directors proposed to the Corporation's shareholders by the Corporation; or

- (v) any other event which, in the opinion of a majority of the Board of Directors, constitutes a change of control of the Corporation;
- (f) **"Common Share"** means a common share in the capital of the Corporation and, after any adjustments pursuant to Section 6.1 hereof, means the shares or other securities or property which, as a result of such adjustments and all prior adjustments pursuant to Section 6.1 hereof, the holders of Options are then entitled to receive on the exercise thereof;
- (g) **"Control Person"** means, collectively, a person or group of persons, any one or more persons acting jointly or in concert with such person or group of persons, and any one or more Associates or Affiliates of such person or group of persons;
- (h) **"Convertible Securities"** means securities convertible into, exchangeable for or representing the right to acquire Voting Securities, including Options;
- (i) **"Corporation"** means Birchcliff Energy Ltd. and any successor or continuing corporation resulting from any form of corporate reorganization;
- (j) **"Exercise Price"** means the price at which a Common Share may be purchased pursuant to the exercise of an Option;
- (k) **"Expiry Date"** means the date upon which an Option expires and is of no further force or effect, as may be adjusted pursuant to Article 6 or Article 7 hereof;
- (l) **"First New Expiry Date"** has the meaning ascribed thereto in Sections 7.2(b) or 7.3(b) hereof, as applicable;
- (m) **"Insider"** means:
 - (i) an insider (as defined in the Securities Act) of the Corporation; and
 - (ii) an Affiliate or Associate of any person who is an insider of the Corporation by virtue of sub-paragraph (i) above;
- (n) **"Notice of Exercise"** means a notice of exercise of an Option delivered by an Optionee, which may be in physical written or electronic form;
- (o) **"Option"** means a right to purchase one Common Share that is granted pursuant to this Plan, including such a right that is deemed to have been granted pursuant to this Plan;
- (p) **"Option Agreement"** means an agreement between the Corporation and an Optionee pursuant to which an Option is granted to such Optionee, which may take the form of a physical or electronic agreement, notice, certificate or other document;
- (q) **"Optionee"** means a Participant to whom an Option has been granted pursuant to this Plan;
- (r) **"Outstanding Issue"** means, at any time, the aggregate number of Common Shares actually issued and outstanding and in determining such number, Common Shares issuable but not yet issued shall not be included;

- (s) **“Participant”** means, at any time, a person who at such time is:
 - (i) a director, officer or employee of the Corporation or one of its subsidiaries; or
 - (ii) a Service Provider;
- (t) **“Plan”** means this stock option plan, as amended or restated from time to time;
- (u) **“Preferred Share”** means a preferred share in the capital of the Corporation;
- (v) **“Second New Expiry Date”** has the meaning ascribed thereto in Section 7.4(b) hereof;
- (w) **“Securities Act”** means the *Securities Act* (Alberta), as amended;
- (x) **“Security Based Compensation Arrangements”** means: (i) stock option plans for the benefit of employees, Insiders, Service Providers or any one of such groups; (ii) individual stock options granted to employees, Service Providers or Insiders if not granted pursuant to a plan previously approved by the Corporation’s shareholders; (iii) stock purchase plans where the Corporation provides financial assistance or where the Corporation matches the whole or a portion of the securities being purchased; (iv) stock appreciation rights involving issuances by the Corporation of securities from treasury; (v) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the Corporation; and (vi) security purchases from treasury by an employee, Insider or Service Provider which is financially assisted by the Corporation by any means whatsoever;
- (y) **“Service Provider”** means a person or company engaged by the Corporation or any of its subsidiaries to provide services for an initial, renewable or extended period of twelve months or more; and for greater certainty, shall not include directors, officers or employees of the Corporation or any of its subsidiaries;
- (z) **“Stock Exchange”** means, at any time, The Toronto Stock Exchange if the Common Shares are listed and posted for trading thereon at such time or, otherwise, any other stock exchange upon which the Common Shares are listed and posted for trading at such time;
- (aa) **“Unvested Option”** means, at any time, an Option that is not exercisable at such time;
- (bb) **“Vested Option”** means, at any time, an Option that is exercisable at such time;
- (cc) **“Voting Securities”** means Common Shares and Preferred Shares to the extent such Preferred Shares have the right to vote for the election of directors attached thereto; and
- (dd) **“Withholding Taxes”** has the meaning ascribed thereto in Section 8.2 hereof.

1.3 Number and Gender

In this Plan, unless there is something in the subject or context inconsistent therewith, words importing the singular number include the plural, and vice versa, and words importing the masculine gender include the feminine and neuter genders, and vice versa.

1.4 No Effect on Employment or Retainer

Participation in this Plan by a Participant is entirely voluntary and does not affect the Participant’s employment or continued retainer by, or other engagement with, the Corporation or its subsidiaries. Neither this Plan nor the

granting to a Participant of an Option hereunder gives such Participant any right to continue to be a director, officer, employee or Service Provider of the Corporation or any of its subsidiaries. None of the terms and conditions governing an Option shall be affected by any change in the terms of an Optionee's employment by or engagement with the Corporation so long as such Optionee continues to be a Participant.

1.5 No Rights as Shareholder

An Optionee has no rights as a shareholder in respect of a Common Share to which he is entitled upon the valid exercise of a Vested Option unless and until he has validly exercised such Option and has been issued such Common Share.

1.6 No Assurance of Value

The Corporation does not assure a profit or protect against a loss upon the exercise of any Option or the subsequent sale of any Common Share acquired thereby. The Corporation assumes no responsibility relating to any tax liability of the Optionee by reason of any transaction entered into pursuant to this Plan.

1.7 No Limitations on Board of Directors

Nothing contained in this Plan shall or shall be deemed to restrict or in any way limit the rights and powers of the Board of Directors in relation to any allotment and issuance of any securities of the Corporation that are not reserved for issuance hereunder.

1.8 No Inconsistencies with Stock Exchange Rules

This Plan is subject to the rules of the Stock Exchange. To the extent that any provision of this Plan conflicts with any such rule, such rule shall govern and this Plan shall be deemed to be amended to be consistent therewith.

ARTICLE 2 ADMINISTRATION OF THE PLAN

2.1 Board of Directors Responsible

This Plan shall be administered by the Board of Directors. However, the Board of Directors may delegate to a committee thereof or to one or more officers of the Corporation the responsibility for administering this Plan or any portion thereof. Any reference in this Plan to the Board of Directors shall include a reference to such a committee or officer(s), as the case may be. In administering this Plan, the Board of Directors may approve the form and content and may prescribe the use of such forms of Option Agreements and other documents or instruments, either generally or in specific cases, and make all other determinations and interpretations, all as they may deem necessary or advisable for the proper administration and operation of this Plan.

2.2 Decisions Final and Binding

Subject to any required Stock Exchange or shareholder approvals, all decisions and interpretations by the Board of Directors respecting this Plan or Options granted hereunder, including decisions as to adjustments in the number of Common Shares to be received upon the exercise of an Option or the Exercise Price thereof in accordance with Article 6, shall, absent bad faith, be final and binding on the Corporation, all Optionees and Participants.

2.3 Regulatory Approvals

The administration of this Plan, including the grant or exercise of any Options pursuant hereto, is subject to receipt by the Corporation of all approvals, advance rulings, exemptions or registrations required or desired under applicable laws and regulations, including all approvals or registrations required by the Stock Exchange.

2.4 Maintenance of Records

The Corporation will maintain all records relating to the administration of this Plan as may be necessary or advisable. Upon request, the Corporation will furnish an Optionee with a statement indicating the number of Options held on his behalf.

2.5 Amendments to and Termination of the Plan

- (a) The Board of Directors may at any time, but subject always to the receipt of required regulatory approvals, alter, amend or revise the terms and conditions of this Plan or of any outstanding Options, or suspend, discontinue or terminate this Plan or any portion hereof, all provided that, without the prior written consent of an Optionee, no such action shall adversely affect (except as specifically provided in this Plan or an applicable Option Agreement) any Options previously granted to such Optionee and in respect of which the conditions of Section 4.3 hereof have been satisfied. Upon the suspension, discontinuance or termination of this Plan or any portion hereof, any Option granted prior thereto and in respect of which the conditions in Section 4.3 hereof have been satisfied shall remain exercisable in accordance with its terms as specified herein and in the Option Agreement.
- (b) Any alteration, amendment or revision to be made to this Plan or any outstanding Options (other than any suspension, discontinuance or termination of this Plan or any outstanding Options) is subject to the prior approval of the shareholders of the Corporation.
- (c) Notwithstanding Section 2.5(b) hereof, the Board of Directors shall have the power and authority to approve and effect amendments to this Plan or a specific Option without further approval of the shareholders of the Corporation, to the extent that such amendments relate to:
 - (i) altering, extending or accelerating the terms and conditions of vesting applicable to any Option or group of Options;
 - (ii) changing the termination provisions of an Option, provided that the change does not entail an extension beyond the original Expiry Date of such Option;
 - (iii) accelerating the Expiry Date in respect of an Option;
 - (iv) determining the adjustment provisions pursuant to this Plan;
 - (v) amending the definitions contained within this Plan and other amendments of a "housekeeping" nature; and
 - (vi) amending or modifying the mechanics of exercise of the Options.
- (d) Notwithstanding the provisions of Section 2.5(c) hereof, the Board of Directors may not, without the approval of the shareholders of the Corporation, make any amendments to this Plan or any Option of the following nature:
 - (i) to increase the maximum number or percentage of Common Shares that may be issued pursuant to Options granted under this Plan;
 - (ii) to reduce the exercise price of Options benefiting an Insider;
 - (iii) to alter the limits to Insider participation in this Plan as set out in Sections 3.2 and 3.3 hereof;

- (iv) to extend the Expiry Date of Options for the benefit of an Insider; and
 - (v) to amend the provisions of this Section 2.5 hereof.
- (e) No alteration, amendment or revision of this Plan or any outstanding Options may contravene the requirements of the Stock Exchange or any securities commission or regulatory body to which this Plan or the Corporation is now or may hereafter be subject.

ARTICLE 3
COMMON SHARES ISSUABLE AND ISSUED PURSUANT TO THE PLAN

3.1 Aggregate Number of Common Shares Issuable Pursuant to the Plan

- (a) The aggregate number of Common Shares issuable under Options that are issued and outstanding at any time under this Plan shall not exceed 10% of the Outstanding Issue.
- (b) The calculation of the aggregate number of Common Shares that have been issued upon the exercise of Options shall not include Common Shares not issued upon the exercise of Options in respect of which a cash payment has been made pursuant to Sections 5.4, 5.5 or 5.6 hereof.

3.2 Limitations on Common Shares Issuable Pursuant to the Plan

- (a) The Corporation shall not grant an Option to a Participant if such proposed grant would result in the number of Common Shares issuable pursuant to the exercise of all Options outstanding to such Participant at the time of the proposed grant exceeding 5% of the Outstanding Issue at such time.
- (b) The Corporation shall not grant an Option to an Insider if such proposed grant would result in the number of Common Shares issuable pursuant to:
 - (i) the exercise of all Options outstanding to Insiders at the time of the proposed grant; and
 - (ii) all other Security Based Compensation Arrangements existing between the Corporation and any one or more Insiders at the time of the proposed grant;

exceeding 10% of the Outstanding Issue at the time of the proposed grant.

3.3 Limitations on Common Shares Issued Pursuant to the Plan

- (a) The Corporation shall not issue Common Shares upon the exercise of Options granted to an Insider if such proposed issuance would result in the aggregate of the number of Common Shares to be issued pursuant to such proposed issuance and the number of Common Shares issued in the one-year period immediately preceding the proposed issuance pursuant to:
 - (i) the exercise of Options granted to Insiders; and
 - (ii) all other Security Based Compensation Arrangements existing between the Corporation and any one or more Insiders;

exceeding 10% of the Outstanding Issue immediately prior to the proposed issuance.

- (b) The Corporation shall not issue Common Shares upon the exercise of Options granted to an Insider if such proposed issuance would result in the aggregate of the number of Common Shares to be issued pursuant to such proposed issuance and the number of Common Shares issued in the one-

year period immediately preceding the proposed issuance to such Insider and all of his Associates pursuant to:

- (i) the exercise of Options granted to such Insider or any of his Associates; and
- (ii) all other Security Based Compensation Arrangements existing between the Corporation and such Insider or any of his Associates;

exceeding 5% of the Outstanding Issue immediately prior to the proposed issuance.

ARTICLE 4 GRANT OF OPTIONS

4.1 Discretionary Grants of Options

The Board of Directors may from time to time and in its discretion grant a specified number of Options to any one or more Participants. At the time of grant, the Board of Directors shall fix the following terms in respect of each grant of Options to each Participant:

- (a) the Exercise Price thereof;
- (b) the vesting date(s) applicable thereto; and
- (c) the Expiry Date thereof.

The Board of Directors may also fix such other terms and conditions of the Option Agreement, not inconsistent with this Plan, as the Board of Directors in its discretion may determine.

4.2 Limitations on Terms of Options

The terms fixed by the Board of Directors in respect of a grant of Options shall be subject to the following conditions:

- (a) the Expiry Date of an Option shall be no later than ten (10) years from the date of grant of such Option, subject to the rules of the Stock Exchange;
- (b) subject to Section 9.3 hereof, the Option shall not be transferable or assignable; and
- (c) the Exercise Price of an Option shall not be lower than the higher of: (i) the closing price of the Common Shares on the Stock Exchange on the first trading day immediately preceding the date of grant; or (ii) the lowest Exercise Price permitted by such Stock Exchange, provided that if the Common Shares are not listed and posted for trading on a Stock Exchange, the Exercise Price of an Option shall be the value determined by the Board of Directors on the date of grant.

4.3 Conditions Precedent to Effectiveness of Options

The grant of an Option to a Participant is conditional and is of no force and effect until the following conditions shall have been satisfied:

- (a) all regulatory approvals, including the approval for listing of the Common Shares to be received upon the exercise of such Option on the Stock Exchange, have been obtained; and
- (b) an Option Agreement has been duly executed by the Corporation and the Optionee.

4.4 Option Agreement

An Option Agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder. In the event of a conflict between the terms of any Option Agreement and this Plan, the terms of this Plan shall govern.

ARTICLE 5 EXERCISE OF OPTIONS

5.1 Exercise of Vested Options

- (a) A Vested Option may be exercised by delivery from the Optionee of a Notice of Exercise to the Corporation at its head office that specifies the number of Common Shares with respect to which such Vested Option is being exercised and payment in full by way of cash or cheque of the purchase price of the Common Shares that are being purchased pursuant to such exercise. Notwithstanding the foregoing, the Board of Directors may from time to time, in their sole discretion, vary the aforementioned procedure for exercising an Option and implement systems and procedures to facilitate the exercise of Options pursuant to this Plan.
- (b) An Optionee may elect the exercise of a Vested Option to be conditional upon the successful completion of a Change of Control Transaction on or before a stipulated date by so stating in a Notice of Exercise delivered pursuant to Section 5.1(a) hereof. If such condition is not satisfied, then the Vested Option shall be deemed to not have been exercised and the Corporation shall return to the Optionee the payment made by the Optionee to the Corporation pursuant to Section 5.1(a) hereof.
- (c) Notwithstanding any other provisions contained herein, if the Expiry Date of an Option falls within a Black-Out Period or within two (2) business days thereafter, the Expiry Date of such Option shall be automatically extended for a period of ten (10) business days following the end of the Black-Out Period. The foregoing shall not be considered an extension of the Expiry Date of Options for the purposes of Section 2.5 hereof.

5.2 Issuance of Common Shares Upon Exercise

Subject to Sections 5.4, 5.5 or 5.6 hereof, upon the exercise of Vested Options, the Corporation shall cause to be delivered to the Optionee a certificate registered in the name of such Optionee or other evidence of ownership representing the number of Common Shares to which the Optionee is entitled upon such exercise. Common Shares issued upon the exercise of Vested Options shall be validly issued as fully paid and non-assessable. The issuance of such Common Shares shall not require further approval of the Board of Directors.

5.3 Restrictions on Resale of Common Shares

Any trade by the Optionee in any Common Shares issued to him pursuant to the exercise of Vested Options, including any sale or disposition for valuable consideration, and any transfer, pledge or encumbrance of such Common Shares, is subject to such regulatory approvals and other restrictions under applicable securities laws as may be required or applicable at the time of such trade. Accordingly, the Corporation makes no representation as to the ability of any Optionee to trade such Common Shares.

5.4 Prohibition on Exercise of Vested Options

Notwithstanding any other provision of this Plan or of any Option Agreement, no Common Share shall be issued upon the exercise of a Vested Option where such issuance would result in a violation of Article 3 hereof. Where an Optionee exercises an Option in such circumstances, he may elect to either withdraw his Notice of Exercise (upon

which the Option subject to the Notice of Exercise shall be deemed to not have been exercised) or to demand and receive from the Corporation in respect of the exercise of each Vested Option that is subject to such Notice of Exercise payment of a cash amount equal to the amount, if any, by which the closing price of the Common Shares on the Exchange on the first trading day immediately preceding the date of exercise exceeds the Exercise Price of such Vested Option, in lieu of his right to receive a Common Share. Any cash amount paid to an Optionee pursuant to this Section shall be reduced by the amount of all Withholding Taxes.

5.5 Conditions Precedent to Issuance of Common Shares

If at any time the Corporation receives advice from legal counsel that:

- (a) the registration or qualification of the Common Shares that underlie any Options or the consent or approval of any regulatory authority or Stock Exchange;
- (b) evidence (in form and content satisfactory to the Board of Directors) of the investment intent of the Optionee; or
- (c) an undertaking of the Optionee as to the sale or disposition of the Common Shares that would be received upon an exercise of Options to the effect that such Common Shares are not to be traded by the Optionee for a specified period of time;

is necessary or desirable as a condition of the issuance of any Common Shares upon the exercise of Vested Options, then the Corporation may elect to not issue such Common Shares unless and until such registration, qualification, consent, approval, evidence or undertaking has been effected or obtained free of any condition not acceptable to the Corporation. Where an Optionee exercises an Option in such circumstances, he may elect to either withdraw his Notice of Exercise (upon which the Option subject to the Notice of Exercise shall be deemed to not have been exercised) or to demand and receive from the Corporation in respect of the exercise of each Vested Option that is subject to such Notice of Exercise payment of a cash amount equal to the amount, if any, by which the closing price of the Common Shares on the Exchange on the first trading day immediately preceding the date of exercise exceeds the Exercise Price of such Vested Option, in lieu of his right to receive a Common Share. Any cash amount paid to an Optionee pursuant to this Section shall be reduced by the amount of all Withholding Taxes.

5.6 Cash Payment in Lieu of Common Shares on a Change of Control Transaction

If a Notice of Exercise pursuant to Section 5.1 hereof is received by the Corporation from an Optionee subsequent to the earlier occurrence of:

- (a) the formal proposal to the shareholders of the Corporation (through the mailing of a circular or otherwise) of a transaction that if successfully completed would constitute a Change of Control Transaction; or
- (b) the successful completion of a Change of Control Transaction;

then the Board of Directors may in its discretion permit the Optionee to demand and receive from the Corporation in respect of the exercise of each Vested Option that is subject to such Notice of Exercise payment of a cash amount equal to the amount, if any, by which the price attributed to the Common Shares for the purposes of the Change of Control Transaction exceeds the Exercise Price of such Vested Option, all in lieu of his right to receive a Common Share. The cash amount paid to an Optionee pursuant to this Section will be reduced by the amount of all Withholding Taxes and any applicable fees and expenses associated with such exercise.

ARTICLE 6
ADJUSTMENTS TO TERMS OF OPTION AGREEMENTS

6.1 Subdivision, Consolidation and Other Changes in Value

In the event:

- (a) of any change or proposed change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;
- (b) of any issuance, dividend or distribution to all or substantially all the holders of Common Shares of any shares, securities, property or assets of the Corporation other than in the ordinary course;
- (c) that any rights are granted to holders of Common Shares to purchase Common Shares at prices materially below fair market value; or
- (d) that as a result of any recapitalization, merger, consolidation or otherwise the Common Shares are converted into or exchangeable for any other shares or securities;

then in any such case:

- (e) the Board of Directors will proportionately adjust the number of Common Shares that underlie each Option, the number of Common Shares that are available for issuance pursuant to the exercise of all outstanding Options, the securities or other property that may be acquired upon the exercise of an Option and the Exercise Price of such Option, or one or more of the foregoing, to prevent substantial dilution or enlargement of the rights granted to, or available for, Optionees; and
- (f) the Board of Directors may amend to an earlier date the date on which any or all Unvested Options shall become Vested Options and may decide whether such Options will remain as Vested Options for a limited period of time only;

and, any such determination is deemed to be incorporated into the applicable Option Agreement(s).

6.2 Change of Control Transactions

- (a) If a transaction that:
 - (i) if successfully completed would constitute a Change of Control Transaction within the meaning of Section 1.2(e)(ii) hereof;
 - (ii) has been approved by the Board of Directors; and
 - (iii) contemplates that, upon the successful completion thereof, a majority of the members of the board of directors of Amalco will be comprised of then current members of the Board of Directors;

has been formally proposed (through the mailing of a circular or otherwise) to the shareholders of the Corporation, then the Board of Directors may determine that any or all Unvested Options shall become Vested Options on a date prior to that on which they would otherwise have become Vested Options and whether such Options will remain as Vested Options for a limited period of time only, and any such determination is deemed to be incorporated into the applicable Option Agreements.

- (b) If a transaction that:
- (i) if successfully completed would constitute a Change of Control Transaction other than one to which Section 6.2(a) hereof applies;
 - (ii) has been either: (A) formally proposed to the shareholders of the Corporation (through the mailing of a circular or otherwise); or (B) successfully completed;

then immediately upon the earlier occurrence of either of the events described in Section 6.2(b)(ii), hereof all Unvested Options shall become Vested Options, provided that:

- (iii) any previously Unvested Options that remain unexercised on the tenth day following the successful completion of the Change of Control Transaction; and
- (iv) all previously Unvested Options (whether or not conditionally exercised pursuant to Section 5.1 hereof) on the tenth day following the termination of the Change of Control Transaction;

will revert to be Unvested Options and be subject to the original terms of their Option Agreements as if the Change of Control Transaction had not been proposed, and such amendment is deemed to be incorporated into the applicable Option Agreements.

- (c) If either:
- (i) a formal proposal to the shareholders of the Corporation (through the mailing of a circular or otherwise) of a transaction that if successfully completed would constitute a Change of Control Transaction is made; or
 - (ii) a Change of Control Transaction is successfully completed;

and Optionees have delivered Notices of Exercise pursuant to Section 5.1 hereof that in the aggregate represent not less than 66⅔% of the then outstanding Vested Options, then on the date of closing of the Change of Control Transaction, all Options that are not subject to a Notice of Exercise pursuant to Section 5.1 hereof shall expire, automatically terminate and be of no further force and effect. In such circumstances, the Corporation shall make a cash payment to the former holders of such expired Options equal to the amount, if any, by which (iii) the price attributed to the Common Shares for the purposes of the Change of Control Transaction exceeds (iv) the Exercise Price of such expired Options. The cash amount paid to a former Optionee pursuant to this Section will be reduced by the amount of all Withholding Taxes.

ARTICLE 7 CESSATION OF PARTICIPATION

7.1 No Further Grants and Expiry of Unvested Options Upon Cessation

- (a) If an Optionee ceases to be a Participant for any reason, such Optionee shall thereafter not receive any further grants of Options.
- (b) Immediately upon an Optionee ceasing to be a Participant, all of such Optionee's Unvested Options shall expire, automatically terminate, and be of no further force or effect.

7.2 Cessation Due to Death

If an Optionee ceases to be a Participant by reason of his death, then at any time on or before 5:00 p.m. (Calgary time) on the earliest of:

- (a) the Expiry Date of a particular Option;
- (b) the date that is three years after the date on which he died (the “**First New Expiry Date**”); and
- (c) the latest date permitted by the Stock Exchange, if any;

the Optionee’s legal representatives may, for the benefit of the Optionee’s estate, exercise any Option that was a Vested Option at the time the Optionee died. Immediately after such time, all of such Optionee’s Vested Options shall expire, automatically terminate, and be of no further force and effect.

7.3 Cessation Due to Disability

If an Optionee ceases to be a Participant by reason of his permanent physical or mental disability, then at any time on or before 5:00 p.m. (Calgary time) on the earliest of:

- (a) the Expiry Date of a particular Option;
- (b) the date that is one year after the date on which he became permanently disabled (the “**First New Expiry Date**”); and
- (c) the latest date permitted by the Stock Exchange, if any;

the Optionee (or his legal representatives) may exercise any Option that was a Vested Option at the time of the Optionee’s disablement. Immediately after such time, all of such Optionee’s Vested Options shall expire, automatically terminate, and be of no further force and effect.

For greater certainty but without limiting the generality of the foregoing, if an Optionee is deemed to be an employee of the Corporation pursuant to a medical or disability plan of the Corporation or a subsidiary thereof, such Optionee is deemed to be an employee for the purpose of this Plan and all Options granted hereunder.

7.4 Cessation For Any Other Reason

If an Optionee ceases to be a Participant for any reason other than one of those enumerated in Sections 7.2 or 7.3 hereof, then at any time on or before 5:00 p.m. (Calgary time) on the earlier of:

- (a) the Expiry Date of each of such Optionee’s Vested Options; or
- (b) the date that is: (i) in the case of a Participant who was a director or the Corporation, one year; and (ii) in any other case, 30 days, after the date on which the Optionee ceases to be a Participant pursuant to this Section (the “**Second New Expiry Date**”);

the Optionee may exercise any Option that was a Vested Option at the time the Optionee ceased to be a Participant. Immediately after such time, all of such Optionee’s Vested Options shall expire, automatically terminate, and be of no further force and effect.

7.5 Discretion of Board of Directors to Vest or Extend Expiry Date

Notwithstanding the foregoing provisions of this Article 7, at any time in its discretion and with deemed effect immediately prior to an Optionee ceasing to be a Participant, the Board of Directors may:

- (a) deem Unvested Options of an Optionee that has ceased to be a Participant to be Vested Options; and/or
- (b) extend the First New Expiry Date or Second New Expiry Date, as the case may be, in respect of any or all of such Optionee's Unvested Options or Vested Options, provided that such extended First New Expiry Date or Second New Expiry Date, as the case may be, shall not be later than the earlier of the Expiry Date of the applicable Options and the third anniversary of the date on which such Optionee ceased to be a Participant;

and any such amendments are deemed to be incorporated into the applicable Option Agreements.

ARTICLE 8 WITHHOLDING TAXES

8.1 Withholding Taxes

The Participant shall be responsible for all taxes in respect of the Option, whether arising as a result of the grant or exercise of the Option or otherwise, and whether arising under the laws of Canada or any other jurisdiction. The Corporation makes no guarantees to any person regarding the tax treatment of any Option or any payment made in respect thereof, and neither the Corporation nor any of its directors, officers, employees or other representatives shall have any liability to the Participant with respect thereto.

8.2 Deductions or Withholdings

The Corporation may deduct or withhold from any amount payable to the Participant, whether under this Plan or otherwise, such amounts as are permitted or required by law to be deducted or withheld as a consequence of the Participant's exercise of Options, or other participation in this Plan ("**Withholding Taxes**"). As a condition to the exercise of the Option, the Participant must first make arrangements satisfactory to the Corporation to enable the Corporation to satisfy all Withholding Taxes. Without limiting the generality of the foregoing:

- (a) the Corporation and any entity in which the Corporation owns an interest shall be entitled to deduct or withhold any Withholding Taxes from any payment of any kind due to the Participant, whether hereunder or otherwise;
- (b) the Corporation may require the Participant to pay to the Corporation, or an entity in which the Corporation owns an interest, an amount equal to any Withholding Taxes, such payment to be made in a manner and at a time satisfactory to the Corporation;
- (c) the Corporation may require that some of the Common Shares acquired by the Participant upon the exercise of an Option be delivered to a broker with instructions to: (i) sell a sufficient number of such Common Shares on the Participant's behalf in the market to raise proceeds at least equal to the amount of the Withholding Taxes; and (ii) pay an amount from such proceeds equal to the Withholding Taxes to the Corporation; or
- (d) the Corporation may make such other arrangements as may reasonably be required in order to remit all Withholding Taxes to the applicable governmental authorities.

The Participant consents to the sale of Common Shares by the Corporation under Section 8.2(c) hereof and grants the Corporation an irrevocable power of attorney to effect the sale of such Common Shares on his or her behalf, and the Participant acknowledges and agrees that: (a) in effecting the sale of any such Common Shares, the Corporation and/or broker will exercise its sole judgment as to the timing and the manner of sale, and will not be obligated to seek or obtain a minimum price; and (b) the Corporation will not be liable for any loss arising out of any sale of such Common Shares, including any loss relating to the pricing, manner or timing of such sales or any delay in transferring any Common Shares to the Participant or otherwise.

8.3 Professional Advice

The Participant acknowledges that the acceptance of the Option Agreement, the exercise of the Options and the sale of the Common Shares received upon the exercise of the Options may have consequences under Federal and Provincial tax and securities laws, which may vary depending on the individual circumstances of the Participant. The Participant further acknowledges being advised to obtain independent legal and tax advice in connection with the Option Agreement, and the execution of the Option Agreement by the Participant will be conclusive acknowledgment by the Participant that the Participant has, before executing the Option Agreement, obtained all the legal and tax advice that the Participant considered necessary.

ARTICLE 9 GENERAL

9.1 Waiver

No waiver by the Corporation of any term of this Plan or any breach thereof by an Optionee is effective or binding on the Corporation unless it is expressed in writing and any waiver so expressed does not limit or affect its rights with respect to any other or future breach.

9.2 Governing Law

This Plan and each Option granted under this Plan shall be governed by and construed in accordance with the laws of the Province of Alberta and any Option Agreement entered into pursuant to this Plan shall be treated in all respects as an Alberta contract.

9.3 Enurement

This Plan and any Option Agreement entered into pursuant hereto shall enure to the benefit of and be binding upon the Corporation, its successors and assigns. The interest of any Optionee hereunder or under any Option Agreement is not transferable or alienable by the Optionee either by assignment or in any other manner and, during his lifetime, is vested only in him, but, subject to the terms hereof and of the Option Agreement, shall enure to the benefit of and be binding upon his legal personal representatives.

9.4 Conflict

In the event of a conflict between the terms of this Plan and an Option Agreement, the terms of this Plan shall prevail.

9.5 Effective Time

This Plan shall be effective as of March 27, 2023.

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