

## ZENITH ENERGY LTD.

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**TAKE NOTICE** that the Annual General and Special Meeting (the "**Meeting**") of holders ("**Shareholders**") of common shares ("**Common Shares**") of Zenith Energy Ltd. (the "**Corporation**") will be held at the offices of McCarthy Tétrault LLP, Suite 4000 - 421 - 7th Avenue SW - Calgary AB T2P 4K9, Calgary on Friday, April 14, 2023 at 12:00 p.m. (Calgary time) for the following purposes:

1. to receive the financial statements of the Corporation for the financial years ended March 31, 2021 and 2022 and the report of the auditors thereon;
2. to consider and, if thought fit, pass an ordinary resolution fixing the number of directors of the Corporation for the ensuing year at five;
3. to elect the directors of the Corporation for the ensuing year;
4. to appoint RPG Crouch Chapman LLP as auditors of the Corporation for the ensuing year;
5. to consider, and if thought fit, pass an ordinary resolution reapproving the Corporation's Stock Option Plan;
6. to consider and, if thought fit, pass, with or without variation, a special resolution effecting a consolidation of the Common Shares on the basis of one (1) post-consolidation Common Share for each 10 pre-consolidation Common Shares; and
7. to transact such other business as may properly come before the Meeting or any adjournment thereof.

Your vote is important. If you are unable to attend the Meeting, please complete and forward the enclosed Proxy in accordance with the instructions contained in the Information Circular and deposit the Proxy at Computershare Trust Company at its offices at 8th Floor, 100 University Avenue Toronto, Ontario M5J 2Y1. **To be valid, a Proxy must be deposited with Computershare Trust Company not later than forty-eight hours, excluding Saturdays and holidays, before the meeting or any adjournment thereof at which the Proxy is to be used.**

Shareholders holding shares registered in the name of a broker or other nominee should ensure that they make arrangements to instruct the broker or other nominee how their shares are to be voted at the Meeting in order for their vote to be counted at the Meeting.

**DATED** this 10<sup>th</sup> day of March 2023.

**ZENITH ENERGY LTD.**

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**INFORMATION CIRCULAR**

**PURPOSE OF SOLICITATION**

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Zenith Energy Ltd. (the “**Corporation**”) for use at the annual general meeting (the “**Meeting**”) of the holders of Common Shares (“**Common Shares**”) of the Corporation (the “**Shareholders**”). The Meeting will be held in person on Friday, April 14, 2023 at 12:00 p.m. (Calgary time), and at any adjournments thereof for the purposes set forth in the Notice of Annual General and Special Meeting accompanying this Information Circular. Information contained herein is given as of March 6, 2023 unless otherwise specifically stated.

**SOLICITATION OF PROXIES**

**This Information Circular is furnished in connection with the solicitation of proxies by the Management of Zenith Energy Ltd.** (the “**Corporation**”) for use at the Annual General and Special Meeting (the “**Meeting**”) of shareholders in the Corporation (the “**Shareholders**”) to be held on April 14, 2023, at the time and place and for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Shareholders (“**Notice of Meeting**”) and at any adjournment or adjournments thereof. The solicitation of proxies will be made primarily by mail, but proxies may also be solicited personally or by telephone or other means, by directors, officers or employees of the Corporation to whom no additional compensation will be paid for so doing. The cost of the solicitation will be borne by the Corporation.

**PERSONS MAKING THE SOLICITATION**

**The enclosed Proxy Form is solicited by and on behalf of the Board of Directors of the Corporation.** The cost of solicitation by the Board of Directors will be borne by the Corporation. As well, proxies will be solicited by mail and may also be solicited personally or by telephone by the directors or officers of the Corporation, who will not be specifically remunerated, therefore.

The Corporation may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting securities of the Corporation (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Information Circular, the Notice of Meeting and Proxy Form to the beneficial owners of such securities. The Corporation will provide, without cost to such persons, upon request to the applicable Corporation, additional copies of the foregoing documents required for this purpose.

**PROXY INSTRUCTIONS**

**Mr. Andrea Cattaneo and Mr. Dario Sodero, the persons named in the form of proxy enclosed with the Notice of the Meeting, are respectively the President & CEO of the Corporation and a member of the Board of Directors of the Corporation. Shareholders have the right to appoint some other person (who need not be a shareholder of the Corporation) to represent them at the meeting.** To exercise that right, a shareholder may either insert the name of the desired representative in the blank space provided in the form of proxy enclosed with the Notice of the Meeting or submit another form of proxy appointing the desired representative. Proxies will not be valid unless received by Computershare Trust Company (“**Computershare**”) at its offices at 8<sup>th</sup> Floor, 100 University Avenue Toronto, Ontario M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays and holidays, before the time set for the meeting or any adjournment thereof at which the proxy is to be used. **The proxy must be in writing and must be signed by the shareholder or his attorney authorized in writing, or, if the shareholder is a corporation, the proxy must be signed under its corporate seal or by a duly authorized officer or attorney of the corporation**

**authorized in writing.**

The form of proxy enclosed with the Notice of the Meeting affords a means for shareholders to specify that their shares will be voted or withheld from voting on the election of directors and the appointment of auditors and to specify that their shares will be voted for or against all other business identified in the Notice of the Meeting. If appointed proxy, Mr. Cattaneo or Mr. Sodero will vote the shares or withhold from voting the shares as specified by the shareholder on any ballot that may be called for. **The shares will be voted "for" each matter for which no specification has been given. The form of proxy enclosed with the Notice of the Meeting confers discretionary authority upon the person appointed proxy thereunder to vote on amendments or variations to matters identified in the Notice of the Meeting, and on other matters which may properly come before the Meeting.** At the date of this Information Circular, Management of the Corporation knows of no such amendment, variation or other matter which may come before the Meeting.

The resolutions contained in the Notice of Meeting require the positive vote of the majority of the votes cast with the respect to each resolution, other than the resolution (the "**Share Consolidation Resolution**") to effect the proposed consolidation of the Common Shares on the basis of one post-consolidation Common Share for each 10 pre-consolidation Common Shares (the "**Share Consolidation**"), which requires the positive vote of not less than 66 $\frac{2}{3}$ % of the votes cast with respect to such resolution.

**REVOCAION OF PROXIES**

A Shareholder who has submitted a proxy may revoke it. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing signed by the Shareholder or his attorney authorized in writing, or, if the Shareholder is a corporation, signed under its corporate seal or by an officer or attorney of the corporation authorized in writing, and depositing the instrument either at the Registered Office of the Corporation or at the office of Computershare at its offices at 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof at which the proxy is to be used. Upon such deposit the proxy will be revoked as to any matter in respect of which a vote has not already been cast.

**VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The only outstanding voting securities of the Corporation are common shares of which 2,310,302,537 common shares are outstanding as of March 6, 2023, each entitling the holder to one vote.

The Board of Directors of the Corporation has fixed the close of business on March 6, 2023 as the record date (the "**Record Date**"), for determination of the registered holders of common shares entitled to receive notice of the Meeting. The Corporation will prepare a list of the names of, and the number of shares held by, each shareholder who is entitled to receive notice of the Meeting. At the Meeting a Shareholder will be entitled to vote the shares shown opposite that Shareholder's name on the list except to the extent that the Shareholder has transferred any shares after the Record Date and the transferee produces properly endorsed share certificates, or otherwise establishes ownership of such shares and demands the inclusion of the transferee's name in the list of shareholders not later than 10 days before the date of the Meeting.

To the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, controls or directs, directly or indirectly, more than 10% of the common shares of the Corporation.

**ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES**

The information in this section is of significant importance to shareholders who do not hold their common shares in their own name ("**Beneficial Shareholders**"). Beneficial Shareholders should note that only proxies deposited by registered holders of common shares (those whose names appear on the records of the Corporation as the registered holders of common shares) can be recognized and acted upon at the Meeting. If the common shares are listed in an

account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the name of the shareholder on the records of the Corporation. Common shares listed in an account statement will more likely be registered under the name of the Shareholder's broker or their broker's agent. In Canada, the vast majority of shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common shares held by brokers or their agents or nominees can only be voted as instructed by the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting common shares held for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of 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 the common shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Services Inc. ("**Broadridge**"). Broadridge typically mails a Voting Instruction Form in lieu of the form of proxy that can be scanned. The Beneficial Shareholder is asked to complete and return the Voting Instruction Form to Broadridge by mail or facsimile or to call a toll-free number or visit a website to give voting instructions electronically. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. A Beneficial Shareholder receiving a Voting Instruction Form cannot use that Voting Instruction Form to vote common shares directly at the Meeting. The Voting Instruction Form must be returned as directed by Broadridge or voting instructions must be given electronically well in advance of the Meeting in order to have the common shares voted.

If you are a Beneficial Shareholder and wish to vote in person at the Meeting, you should contact your broker or agent well in advance of the Meeting to determine how you can do so.

Shareholders who do not hold their Common Shares in their own name should also instruct their broker or agent to complete the Letter of Transmittal regarding the Share Consolidation with respect to such holder's Common Shares in order to receive their post-consolidation Common Shares in exchange for their pre-consolidation Common Shares

## **QUORUM**

Under the Corporation's By-Laws, as amended, a quorum for the transaction of business at any meeting of Shareholders is present if two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to vote at the Meeting.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Presentation of Audited Annual Financial Statements**

Management will present the audited financial statements of the Corporation for the financial years ended March 31, 2021 and March 31, 2022, as well as the report by the auditors for each financial year respectively. No Shareholder vote with respect thereto is required or proposed to be taken.

### **Election of Directors**

The size of the Board of the Corporation is currently comprised of five (5) Directors. The board proposes that the number of Directors remain five (5). Shareholders will therefore be asked to consider and, if thought appropriate, approve and adopt an ordinary resolution that the number of directors elected be fixed at five (5), subject to the provisions of the Articles for the Corporation permitting the Board to appoint up to one-third additional Directors until the next annual general meeting.

The term of office of each of the current Directors will end at the conclusion of the Meeting. Unless the Director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) ("**BCA**"),

each Director elected will hold office until the conclusion of the next annual general meeting of the Corporation, or if no Director is then elected, until a successor is elected.

The following table contains the names of all persons proposed to be nominated by Management for election as Directors, their principal occupation or employment for the past five years, the year in which they first became a Director of the Corporation and the number of common shares of the Corporation beneficially owned or over which control or direction is exercised, directly or indirectly, by each of them:

Name, Residence and Position with the Corporation	Director Since	Principal Occupation	No. of Common Shares owned or controlled
Dr. Jose Ramon Lopez-Portillo  Oxford, United Kingdom,  Chair	September 24, 2008	Jose Ramon is an academic and former politician. An economist by background, Jose Ramon has served as minister in the Mexican Federal Government and is a Former Independent Chairman of the UN Food and Agricultural Organization (FAO) Council in Rome. Jose Ramon studied economics at Universidad Anahuac and has a doctorate in political science and international relations from the University of Oxford. He holds dual Mexican and British nationality.  He is Chair of the Corporation's Corporate Governance Committee.	48,000 direct ownership
Andrea Cattaneo, Chief Executive Officer and President  Lugano, Switzerland	December 9, 2008	Andrea is an energy entrepreneur and government adviser with specific expertise in FSU countries. He has more than 30 years of financial experience in sovereign loans, capital markets and oil trading between Western and emerging countries. At the beginning of his financial career, in 1986, he pioneered financial engagement with Vietnam in the post-war period and organized the first convertible currency loan in the history of the Socialist Republic of Vietnam in the wake of the Vietnam War.  Andrea holds an undergraduate degree in Economics from the University of Genoa and a postgraduate degree in Taxation Law from the University of Bologna. He is one of Zenith's founders.	167,163,912 direct ownership
Dr. Dario E. Sodero  Calgary, Alberta, Canada	June 24, 2009	President of Planaval Resources Ltd., a private consulting company. He served as President of CYGAM Energy Inc., a TSX listed oil and natural gas exploration and production company, from February 2007 to April 2011. He also served as Director of CYGAM Energy Inc. from October 2005 to September 25, 2012. Senior Vice-President and Director of Rockbridge Resources Inc., TSX listed oil and natural gas production company from January 2011 to present. Dr. Sodero serves as Chair of the Corporation's Audit Committee.	77,500 indirect ownership
Luca Benedetto  Lugano, Switzerland	December 15, 2020	Mr. Benedetto is the Chief Financial Officer of the Company and also serves as Managing Director of its Italian Operations. He is a registered accountant with further education in IFRS accounting and consolidation at IPSOA Milan.  He joined the Corporation in 2013 as Chief Financial Officer of the Italian subsidiary, Canoe Italia S.r.l.	27,726,716 direct ownership

Name, Residence and Position with the Corporation	Director Since	Principal Occupation	No. of Common Shares owned or controlled
Sergey Borovskiy, Beijing, China	July 24, 2017	<p>Mr. Sergey Borovskiy has over 25 years of experience in business management in China and Hong Kong. He has lived and worked in China since 1991 and is fluent in Russian, English and Mandarin.</p> <p>He currently serves as Chief Executive Officer and Chairman of General Transactions Inc., an oil &amp; gas consulting, engineering, trading, seismic research and exploration services company.</p> <p>He is Chair of the Corporation's Remuneration Committee.</p>	3,849,289 direct ownership

To the knowledge of the Corporation, no proposed Director, together with the proposed Director's associates and affiliates beneficially own or control or direct, directly or indirectly, 10% or more of the voting rights attached to all voting securities of the Corporation. Information regarding ownership of securities by the proposed Directors and their respective associates and affiliates, not being within the knowledge of the Corporation, has been provided by the respective proposed directors.

No proposed Director:

- (a) is, or, within 10 years before to the date of this Information Circular, has been a director, chief executive officer or chief financial officer of any company that:
  - (i) while the proposed director was acting in that capacity, was the subject of:
    - (A) a cease trade or similar order (including a management cease trade order that applied to the directors or executive officers of the company) for a period of more than 30 consecutive days; or
    - (B) an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days;
  - (ii) was subject to an order of the type referred to in subparagraphs (A) or (B) above that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the company that resulted from an event that occurred while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of that company;
- (b) except as set out below, is, or, within 10 years before to the date of this Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within 10 years before to 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 proposed director's assets; or

- (d) 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for the proposed director.

#### **Appointment of Auditor**

At the Meeting, Shareholders will be asked to pass an ordinary resolution to appoint RPG Crouch Chapman LLP, 14-16 Dowgate Hill, London EC4R 2SU, United Kingdom as auditors of the Corporation to hold office until the next annual general meeting of Shareholders, at a remuneration to be determined by the Board of Directors of the Corporation.

Action will be taken to replace the current auditors, Jeffreys Henry LLP, Finsgate 5-7 Cranwood Street, London EC1V 9EE, prior to the Meeting. Jeffreys Henry LLP has been the auditor of the Corporation since January 15, 2021.

The reason for the change of auditor is that the former auditor, Jeffreys Henry LLP, has elected to no longer audit "Public Interest Entities" (a definition that includes all companies on the UK Official List) and has confirmed that there are no matters which it considers should be brought to the attention of the Company's members or creditors in accordance with Section 519 of the *Companies Act 2006*.

#### **Approval of Stock Option Plan**

The Corporation has a stock option plan (the "**Stock Option Plan**") pursuant to which, non-transferable options to purchase Common Shares of the Corporation may be granted to directors, officers, consultants and employees of the Corporation, exercisable for a period of up to 5 years from the date of grant, provided that the number of Common Shares reserved for issuance under options will not exceed 10% of the issued and outstanding Common Shares. A copy of the Stock Option Plan is attached hereto as Appendix A.

A summary of the material terms of the Stock Option Plan are as follows:

##### **1. Background**

The purpose of the Stock Option Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract and retain persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

##### **2. Administration**

The Directors are responsible for administering the Stock Option Plan and have full and final discretion to interpret its provisions and to prescribe, amend, rescind and waive the rules and regulations governing its administration and operation.

##### **3. Eligibility**

The Directors can designate those directors, officers, employees, consultants or other personnel of the Corporation or its subsidiaries who are granted Options ("**Optionholders**") pursuant to the Stock Option Plan. Subject to the policies (the "**Exchange Policies**") of any stock exchange on which the Common Shares are listed (the "**Exchange**") and certain other limitations, the Directors are authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as they shall determine. No Option may be granted to any person except upon recommendation of the Board.

#### 4. Participation

Participation in the Stock Option Plan is entirely voluntary and any decision not to participate shall not affect an individual's relationship or employment with the Corporation. The granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Optionholder any right with respect to continuance as a director, officer, employee or consultant of the Corporation or any of its subsidiaries. Options are not affected by any change of employment of the Optionholder or by the Optionholder ceasing to be a director, officer or a consultant of the Corporation or any of its subsidiaries where the Optionholder at the same time becomes or continues to be a director, officer, full-time employee or consultant of the Corporation or any of its subsidiaries.

#### 5. Shares subject to Options

Unless the Corporation receives the permission of the stock exchange or exchanges on which the Common Shares are listed to exceed such threshold, as applicable, the Options granted under the Stock Option Plan together with all of the Corporation's other previously established stock option plans or grants, must not result at any time in:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to insiders (as defined in the Exchange Policies) exceeding 10% of the issued and outstanding Common Shares;
- (b) the grant to insiders (as defined in the Exchange Policies) within a 12-month period, of a number of Options exceeding 10% of the outstanding Common Shares; or
- (c) the grant to any one Optionholder within a 12-month period of a number of Options exceeding 5% of the issued and outstanding Common Shares.

#### 6. Option price and exercise price

Subject to prior termination under the Stock Option Plan, each Option and all rights thereunder expire on the date set out in the stock option agreement entered into between the Corporation and each Optionholder, which shall be the date of expiry of the period determined by the Board of Directors during which the Optionholder may exercise the Option (the "**Option Period**"). The Option Period cannot exceed a period of 5 years from the date the relevant Option is granted unless the Corporation receives the permission of the stock exchange or exchanges on which the Common Shares are then listed and, in any event, no Option can be exercisable for a period exceeding 10 years from the date it is granted.

Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under the Stock Option Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the last per share closing price for the Common Shares on the Exchange before the date of grant of the Option (less any applicable discount under the Exchange Policies).

#### 7. Exercise of Options

Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

Subject to any vesting limitations which may be imposed by the Directors at the time of grant of an Option, an Optionholder is generally entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period. If an Optionholder ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Optionholder may within 90 days or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held. If an Optionholder dies, the Option previously granted to him is exercisable within one year following the date of the death or



prior to the expiry of the Option Period, whichever is earlier, by the person or persons to whom the Optionholder's rights under the Option pass.

#### **8. Anti-dilution**

On certain variations to the share capital of the Corporation, the number of Common Shares comprised in existing Options may be adjusted so as to avoid the dilution of such Options.

#### **9. Transferability of Options**

No right or interest of any Optionholder under the Stock Option Plan is assignable or transferable.

Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution approving the Stock Option Plan, the full text of which is set forth in Appendix B to this Information Circular.

#### **Share Consolidation**

Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, the Share Consolidation Resolution, the full text of which is set forth in Appendix C to this Information Circular, approving the amendment to the articles of the Corporation to effect a consolidation of the Common Shares, at such time following the date of the Meeting as determined by the Board of Directors in their sole discretion, on the basis of one (1) post-consolidation Common Share for 10 pre-consolidation Common Shares.

The Share Consolidation Resolution must be approved by not less than 66⅔% of the votes cast by the Shareholders, present in person or by proxy at the Meeting.

#### ***Principal Reasons for Effecting the Share Consolidation***

Theoretically, decreasing the number of Common Shares outstanding should not, by itself, affect the type of investor who would be interested in acquiring Common Shares or the Corporation's reputation in the financial community. In practice, however, many investors consider lower-priced shares as unduly speculative in nature and, as a matter of policy, avoid investment in such shares. The presence of these negative perceptions may adversely affect not only the pricing of the Common Shares but also future investor opportunities. These perceptions may affect the Corporation's commercial business and the Corporation's ability to raise additional capital through equity and debt financings.

In determining whether to seek approval to effect the Share Consolidation, the Board also considered a number of other market and business factors deemed relevant by the Board, including, but not limited to potential business and strategic alternatives that may have been available to the Corporation as well as general market and economic conditions.

#### ***Principal Effects of the Share Consolidation***

As at the date hereof, the Corporation has 2,310,302,537 Common Shares issued and outstanding. Following the Share Consolidation, and assuming the Share Consolidation proceeds on the basis of one (1) post-consolidation Common Share for 10 pre-consolidation Common Shares, the number of post-consolidation Common Shares issued and outstanding will be approximately 231,030,253 (on a non-diluted basis).

The implementation of the Share Consolidation would not affect the total shareholders' equity of the Corporation or any components of shareholders' equity as reflected on the Corporation's financial statements except: (i) to change the number of issued and outstanding Common Shares; and (ii) to change the number of outstanding options of the Corporation, as well as their relative exercise prices, to reflect the Share Consolidation.

The Share Consolidation will not materially change any Shareholder's proportion of votes to total votes; however, if the Share Consolidation is effected, the total number of votes that a Shareholder may cast at any future meeting of Shareholders will be reduced.

Any fractional Common Share resulting from the Share Consolidation will be rounded down to the nearest whole number and any such fractional interest will be cancelled without consideration.

***Procedure for Exchange of Share Certificates***

Following an announcement of an effective date of the Share Consolidation (if any), in order to obtain a certificate or DRS Statement representing the post-consolidation Common Shares, registered Shareholders must duly complete and return a Letter of Transmittal together with the certificate(s) representing their Common Shares and all other required documents to Computershare at one of the offices specified in the Letter of Transmittal.

Enclosed with this Information Circular is a Letter of Transmittal which, when properly completed and returned together with the certificate(s) representing Common Shares and all other required documents, will enable each Shareholder to obtain certificates representing their post-consolidation Common Shares under the Share Consolidation.

The Letter of Transmittal contains complete instructions on how to exchange pre-consolidation Common Shares for post-consolidation Common Shares. From and after the effective time of the Share Consolidation, certificates formerly representing Common Shares shall represent only the post-consolidation Common Shares holders are entitled to pursuant to the Share Consolidation. As soon as practicable following the deposit by a former holder of Common Shares of a duly completed Letter of Transmittal, and the certificates representing such Common Shares and all other required documents, Computershare shall either: (a) e-mail; (b) forward by first class mail to such former holder at the address specified in the Letter of Transmittal; or (c) if requested by such Shareholder in the Letter of Transmittal, make available or cause to be made available at Computershare for pickup by such Shareholder, one or more DRS Statements representing the number of Common Shares issued to such Shareholder under the Share Consolidation.

No DRS Statements representing fractional Common Shares will be issued pursuant to the Share Consolidation. In the event that a Shareholder would otherwise be entitled to a fractional Common Share thereunder, the number of Common Shares issued to such Shareholder shall, without any additional compensation, be rounded down to the next lesser whole number of Common Shares. In calculating such fractional interests, all Common Shares registered in the name of a Shareholder or its nominee shall be aggregated.

Subject to any applicable laws relating to unclaimed personal property, registered Shareholders who do not deliver their Common Share certificates representing pre-consolidation Common Shares and all other required documents to Computershare on or before the sixth anniversary of the effective date of the Share Consolidation will lose their rights to receive post-consolidation Common Shares in exchange for their existing pre-consolidation Common Shares.

The use of mail to transmit certificates representing Common Shares or the Letter of Transmittal is at each registered Shareholder's risk. The Corporation recommends that such certificates and documents be delivered by hand to Computershare and a receipt therefor be obtained or that registered mail be used and appropriate insurance be obtained.

If a Letter of Transmittal is executed by a person other than the registered holder of the Common Shares being exchanged or if the DRS Statement(s) representing Common Shares are to be issued in exchange therefor are to be issued to a person other than the registered owner(s) or sent to an address other than the address of the registered holder(s) as shown on the register of Shareholders maintained by Computershare, the signature on the Letter of Transmittal must be medallion guaranteed by an Eligible Institution (as defined in the Letter of Transmittal). If the Letter of Transmittal is executed by a person other than the registered owner(s) of the Common Shares and in certain other circumstances as set forth in the applicable Letter of Transmittal, then the certificate(s) representing the

Common Shares must be endorsed or be accompanied by an appropriate transfer power of attorney duly and properly completed by the registered owner(s). The signature(s) on the endorsement panel or the transfer power of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) or must be medallion guaranteed by an Eligible Institution.

All questions as to validity, form, eligibility (including timely receipt), and acceptance of any Common Shares exchanged pursuant to the Share Consolidation will be determined by the Corporation in its sole discretion. Depositing Shareholders agree that such determination shall be final and binding. The Corporation reserves the absolute right to reject any and all deposits which it determines not to be in proper form or which may be unlawful for it to accept under the laws of any jurisdiction. The Corporation reserves the absolute right to waive any defect or irregularity in the exchange of pre-consolidation Common Shares. There shall be no duty or obligation on the Corporation, Computershare or any other person to give notice of any defect or irregularity in any deposit of pre-consolidation Common Shares and no liability shall be incurred by any of them for failure to give such notice.

Should the Share Consolidation not be completed, any deposited Common Shares will be returned to the depositing Shareholder at the Corporation's expense by returning the deposited Common Shares (and any other relevant documents) by first class insured mail in the name of and to the address specified by the Shareholder in the Letter of Transmittal or, if no such name and address is specified, in such name and to such address as shown on the register maintained by Computershare.

Notwithstanding the provisions of this Information Circular and the Letter of Transmittal, DRS Statements representing Common Shares representing the consideration to be received pursuant to the Share Consolidation will not be mailed if the Corporation determines that delivery thereof by mail may be delayed. Persons entitled to DRS Statements which are not mailed for such reason may take delivery thereof at the office of Computershare in which the deposited certificates or DRS Advices representing Common Shares were originally deposited until such time that it is determined that the delivery by mail will no longer be delayed. Shareholders are encouraged to deliver a validly completed and duly executed Letter of Transmittal, as applicable, together with the relevant security certificate(s) to Computershare as soon as possible following an announcement of an effective date of the Share Consolidation (if any).

Neither the Corporation nor Computershare are liable for failure to notify Shareholders, nor do they have any obligation to notify Shareholders, who make a deficient deposit with Computershare.

Only registered Shareholders or the persons they appoint as their proxies are required to complete, sign and submit the appropriate Letter of Transmittal as described above. Non-registered Shareholders are not required to submit a Letter of Transmittal. The brokerage or agency through whom the non-registered Shareholder holds the pre-consolidation Common Shares will take the appropriate steps to ensure the holder's accounts are adjusted to reflect the exchange ratio, as applicable. Shareholders whose Common Shares are registered in the name of an intermediary, which may include a broker, dealer, bank, trust company or other nominee, must contact such Intermediary to deposit their Common Shares.

### ***Lost Securities***

If any certificate which immediately prior to the effective time of the Share Consolidation represented an interest in one or more outstanding pre-consolidation Common Shares has been lost, stolen or destroyed, upon satisfying such reasonable requirements as may be imposed by the Corporation or Computershare in relation to the issuance of replacement share certificates, Computershare will issue and deliver in exchange for such lost, stolen or destroyed certificate the post-consolidation Common Shares to which the holder is entitled pursuant to the Share Consolidation (and any dividends or distributions with respect thereto), deliverable in accordance with such holder's Letter of Transmittal. The Shareholder who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond satisfactory to each of the Corporation and Computershare in such form as is satisfactory to the Corporation and Computershare, or shall otherwise indemnify the Corporation and Computershare, to the reasonable satisfaction of such parties, against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

### ***Effect on Share Certificates***

Notwithstanding a Shareholder's failure to exchange its share certificates representing pre-consolidation Common Shares for post-consolidation Common Shares, or any delay in doing so, following an announcement of an effective date of the Share Consolidation (if any) and until surrendered, each Common Share certificate representing pre-consolidation Common Shares will be deemed for all purposes to represent the number of post-consolidation Common Shares to which the holder is entitled as a result of the Share Consolidation up until the date that is six years following the date of the Share Consolidation at which point all rights under the Share Consolidation are forfeit, in accordance with the terms outlined in the Letter of Transmittal. In addition, after the exchange of pre-consolidation Common Share certificates for post-consolidation Common Share certificates, Shareholders will have no further interest with respect to any fractional post-consolidated Common Shares.

### ***No Dissent Rights***

Under the Business Corporations Act (British Columbia), Shareholders do not have any dissent and appraisal rights with respect to the proposed Share Consolidation. If the Corporation implements the Share Consolidation, the Corporation will not independently make such rights available to Shareholders.

### ***General***

On any ballot that may be called for at the Meeting, the persons named in the enclosed instrument of proxy, if named as proxy, intend to vote for the Share Consolidation Resolution, unless a Shareholder has specified in its instrument of proxy that its Common Shares are to be voted against the Share Consolidation Resolution. If no choice is specified by a Shareholder to vote either for or against the Share Consolidation Resolution, the persons whose names are printed in the enclosed instrument of proxy intend to vote for the Share Consolidation Resolution.

The Board and management of the Corporation believe that the approval of the Share Consolidation Resolution is in the best interests of the Corporation and its Shareholders and, accordingly, recommend that Shareholders vote in favour of the approval of the Share Consolidation Resolution.

### **OTHER MATTERS**

Management of the Corporation is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matters.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on the Company's website [www.zenithenergy.ca](http://www.zenithenergy.ca). Shareholders may obtain copies of the Corporation's financial statements, free of charge, by contacting the Company using the following e-mail address: [info@zenithenergy.ca](mailto:info@zenithenergy.ca).

Financial information is provided in the Corporation's comparative financial statements for its most recently completed financial year.

**APPENDIX A**

**ZENITH ENERGY LTD.**

**STOCK OPTION PLAN**

(See attached)

## Stock Options Plan (the "Plan")

### 1. Purpose

The purpose of the Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

### 2. Definitions and Interpretation

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) "**Board of Directors**" means the Board of Directors of the Corporation;
- (b) "**Common Shares**" means common shares in the capital of the Corporation;
- (c) "**Corporation**" means Canoe International Energy Ltd. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (d) "**Discounted Market Price**" means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (e) "**Exchange**" means the TSX Venture Exchange Inc. or any other stock exchange on which the Common Shares are listed;
- (f) "**Exchange Policies**" means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange;
- (g) "**Insider**" has the meaning ascribed thereto in Exchange Policies;
- (h) "**Option**" means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;
- (i) "**Option Period**" means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed a period of 5 years from the date the Option is granted unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are then listed and as specifically provided by the Board, and as permitted under the rules of any stock exchange or exchanges on which the Shares are then listed, and in any event, no Option shall be exercisable for a period exceeding 10 years from the date the Option is granted.

- (j) "**Optionee**" means a person who is director, officer, employee, consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan; and
- (k) "**Plan**" shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policy, including without limitation "**Consultant**", "**Employee**", "**Insider**", "**Investor Relations Activities**", "**Management Company Employee**", "**Tier 1 Issuer**" and "**Tier 2 Issuer**".

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

3. Administration

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

4. Eligibility

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionees.

5. Participation

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Optionee any right with respect to continuance as a director, officer, employee or consultant of

the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time employee of or a consultant to the Corporation or any of its subsidiaries.

Options will not be granted to an officer, employee or consultant of the Corporation, unless such Participant is a bona fide officer, employee or consultant of the Corporation.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

6. Shares Subject to Options

The number of authorized but unissued common shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of common shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding common shares as at the closing of the initial public offering of the Common Shares. Unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are listed to exceed such threshold, the Options granted under the Plan together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the issued and outstanding Common Shares;
- (b) the grant to Insiders within a 12-month period, of a number of Options exceeding 10% of the outstanding Common Shares; or
- (c) the grant to any one (1) Optionee within a twelve-month period, of a number of Options exceeding 5% of the issued and outstanding Common Shares.

Subject to Exchange Policies, the aggregate number of Common Shares reserved for issuance to any one (1) Optionee under Options granted in any 12-month period shall not exceed 5% of the issued and outstanding Common Shares determined at the date of grant (or 2% of the issued and outstanding Common Shares in the case of an Optionee who is a Consultant (as such terms are defined in Exchange Policies)). The aggregate number of Options granted to Persons employed to provide Investor Relations Activities must not exceed 2% of the issued and outstanding Common Shares in any 12-month period determined at the date of the grant.

Appropriate adjustments shall be made as set forth in Section 14 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

7. Option Agreement



A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the "**Stock Option Agreement**"). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

8. Option Period and Exercise Price

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the "**Expiry Date**"), subject to earlier termination as provided in Sections 10 and 11 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

9. Exercise of Options

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 10 and 11 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised.

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time. As a condition to the exercise of an Option, the Corporation may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

10. Ceasing to be a Director, Officer, Employee or Consultant

If an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Optionee may, but only within ninety (90) days after the Optionee's ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater

certainty, any Optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of the Plan.

11. Death of Optionee

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

- (a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and
- (b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

12. Optionee's Rights Not Transferable

No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

13. Takeover or Change of Control

The Corporation shall have the power, in the event of:

- (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or
- (b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

14. Anti-Dilution of the Option

In the event of:

- (a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as

would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;

- (b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change;
- (c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

15. Costs

The Corporation shall pay all costs of administering the Plan.

16. Termination and Amendment

- (a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, solely in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.
- (b) The Board of Directors may amend or terminate this Plan, or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 16(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an

Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.

- (c) The Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

17. Applicable Law

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

18. Effective Date

This Plan shall become effective as of and from, and the effective date of the Plan shall be February 3, 2008, subject to receipt of all necessary regulatory approvals.

**APPENDIX B**

**ZENITH ENERGY LTD.**

**STOCK OPTION PLAN RESOLUTION**

BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE HOLDERS OF COMMON SHARES OF ZENITH ENERGY LTD. (the "**Corporation**") THAT:

1. the stock option plan of the Corporation, substantially in the form attached as Appendix A to the management information circular of the Corporation dated March 10, 2023 (the "**Stock Option Plan**"), be and is hereby approved and adopted as the stock option plan of the Corporation;
2. the issued and outstanding stock options previously granted shall continue to be governed by the Stock Option Plan; and
3. any director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to execute (whether under the corporate seal of the Corporation or otherwise) and deliver, or cause to be executed and delivered, and to do or cause to be done all such other acts and things, as such director or officer may determine necessary or advisable to give effect to the foregoing resolution including, without limitation, the execution, signing or filing of any such document or the doing of any such act or thing being conclusive evidence of such determination.

APPENDIX C

ZENITH ENERGY LTD.

SHARE CONSOLIDATION RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE HOLDERS OF COMMON SHARES OF ZENITH ENERGY LTD. (the "**Corporation**") THAT:

1. the articles of the Corporation be amended to change the number of issued and outstanding common shares ("**Common Shares**") of the Corporation by consolidating such issued and outstanding Common Shares on the basis of one (1) post-consolidation Common Share for each 10 existing Common Shares (the "**Consolidation**");
2. no fractional Common Shares shall be issued in connection with the Consolidation and in the event that a holder of Common Shares (a "**Shareholder**") would otherwise be entitled to receive a fractional Common Share, such fractional interest shall be rounded down to the nearest whole Common Share;
3. notwithstanding that this resolution has been passed by the Shareholders, the board of directors of the Corporation is hereby authorized and empowered, without further approval of the Shareholders, to not proceed with the Consolidation or otherwise give effect to these resolutions; and
4. any director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to execute (whether under the corporate seal of the Corporation or otherwise) and deliver, or cause to be executed and delivered articles of amendment to the Registrar of Companies under the *Business Corporations Act* (British Columbia) in order to give effect to the foregoing special resolution, and to execute (whether under the corporate seal of the Corporation or otherwise) and deliver, or cause to be executed and delivered, and to sign and/or file, or cause to be signed and/or filed, as the case may be all applications, declarations, instruments and other documents, and to do or cause to be done all such other acts and things, as such director or officer may determine necessary or advisable to give effect to the foregoing special resolution including, without limitation, the execution, signing or filing of any such document or the doing of any such act or thing being conclusive evidence of such determination.

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