



INSIDER TRADING POLICY

1. Purpose

Maintaining the confidentiality of confidential information of Painted Pony Energy Ltd. (the "**Corporation**") is essential for competitive, security and other business reasons. Care must be taken to ensure that confidential information is provided only to Employees (defined below) who require access for the Corporation's business purposes and only on the basis that recipients maintain confidentiality.

In addition, the Corporation is committed to the principles of fair and open markets for publicly traded securities. Securities laws prohibit persons in a "special relationship" with the Corporation from trading securities of the Corporation while being aware of Confidential Material Information.

Also, certain "reporting insiders" of the Corporation are subject to reporting obligations under securities laws regarding their ownership of, and trading in, securities of the Corporation.

Violation of these laws is a serious offence which could not only have serious consequences for the persons committing them (including criminal prosecution) but could also have a significant adverse consequence for the Corporation and its directors and officers.

The purpose of this Policy is (i) to protect confidential information and to assist Employees in complying with their confidentiality obligations, and (ii) safeguard the Corporation and Employees against violations of the laws referred to above.

2. Scope

The rules relating to confidential information and the restrictions on trading and informing others contained in Section 4 below apply to all directors, officers, employees, consultants and contractors of the Corporation (collectively, the "**Employees**"). The insider reporting rules in Section 5 below apply only to "reporting insiders" (defined below). If you have questions on the application of this Policy, contact the Chief Financial Officer (the "**CFO**") or the General Counsel.

3. Definitions

For the purposes of this Policy:

"**Confidential Material Information**" is Material Information relating to the Corporation or any other public entity that has not been generally disclosed. Information is considered to have been generally disclosed if (i) the information has been disseminated in a manner calculated to effectively reach the marketplace (i.e. by a broadly disseminated press release), and (ii) public investors have been given a reasonable amount of time to analyze the information.

"**Material Information**" is any information, whether such information is confidential or not, relating to the business and affairs of a public entity (including the Corporation) that results in, or would reasonably be expected to result in, a significant change in the market price or value of that entity's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decision with respect to those securities. Material Information consists of both "material facts" and "material changes".

A "**material change**" is (i) a change in the business, operations or capital of a public entity (including the Corporation) that would reasonably be expected to have a significant effect on the

market price or value of any of the securities of the entity, or (ii) a decision to implement a change referred to in (i) above made by the board of directors of the entity, or by senior management of that entity who believe that confirmation thereof by the board is probable.

A "**material fact**", where used in relation to securities issued or proposed to be issued by a public entity (including the Corporation), is a fact that would reasonably be expected to have a significant effect on the market price or value of that entity's securities. Both positive and negative information may be material.

Ultimately, the determination of whether information is material rests with the Board of Directors of the Corporation (the "**Board**"), relevant committees of the Board and/or the Disclosure Committee formed pursuant to the Corporation's Corporate Disclosure Policy. If you are unsure whether certain information is material or confidential, consult with the CFO or the General Counsel. All issues dealing with the materiality of information potentially requiring public disclosure should be immediately communicated to the CFO or General Counsel.

Note that the restrictions in trading securities of the Corporation or of other entities contained in Section 4 include restrictions on entering into transactions for "related financial instruments" (as defined in Section 5) involving a security of the Corporation or of that other entity.

4. Confidentiality of Information, Employee Trading and Restricted Trading

(a) General Rules

Securities laws require the Corporation to disclose material information immediately. However, in some circumstances, disclosure of material information may be delayed and kept confidential temporarily where release of the information would be unduly detrimental to the Corporation. Also, in some circumstances, Employees may become aware of Confidential Material Information relating to other public entities (because of a pending transaction or other reasons). Employees who are aware of Confidential Material Information (whether of the Corporation or another public entity) (i) must not disclose that information to anyone else inside or outside the Corporation unless specific permission is given, and (ii) must not trade in securities of the Corporation or of that other entity or advise anyone else to until that Confidential Material Information has been broadly disseminated by press release.

(b) Specific Prohibited Activities

The following specific rules apply to all Employees:

(i) No disclosure (tipping) of Material Confidential Information

No Employee may disclose Material Confidential Information relating to the Corporation or any other public entity to another person inside or outside the Corporation (including other Employees, family members, analysts, individual investors and news media) except as is "necessary in the course of business". When such information is disclosed to another person, that person should then be advised that, under applicable law, they are prohibited from (i) disclosing that information to anyone else, except as is "necessary in the course of business", and (ii) trading in securities of the Corporation (and/or that other public entity) or recommending someone else should so trade until the information has been broadly disseminated by press release.

(ii) No trading while in possession of Confidential Material Information (insider trading)

No Employee may purchase or sell securities of the Corporation or of another public entity while in possession of Confidential Material Information relating to the Corporation or that other entity until the information has been broadly disseminated by press release.

(iii) No recommending (tipping) another person to trade

No Employee, possessing Confidential Material Information about the Corporation or another public entity, may recommend or give advice to another person to purchase or sell a security of the Corporation or that other entity.

(iv) No engaging in short term speculation, holding securities in margin accounts, short selling, puts or calls or otherwise hedging

No Employee shall, at any time, either directly or indirectly (i) purchase securities of the Corporation for short term speculation (other than in connection with the settlement of awards under the Corporation's equity incentive programs), (ii) sell "short" the Corporation's securities, (iii) buy a "put" or sell a "call" (or other types of options) in respect of the securities of the Corporation, or (iv) enter into any other short or long term transaction that is designed to hedge or offset any change in the market value of the Corporation's securities.

(v) No fraudulent trading or market manipulation

Employees are prohibited from directly or indirectly engaging or participating in any act, transaction or trading method or other practice, or course of conduct that he or she knows or ought reasonably to know (i) results in or contributes to a misleading appearance of trading activity in, or in an artificial price for, the Corporation's securities; or (ii) perpetrates a fraud on any person or entity.

In connection with the above, purchasing or selling the Corporation's (or other relevant entity's) securities includes not only your own personal transactions, but also transactions in securities which you beneficially own or exercise control or direction. You beneficially own securities if you are entitled to all or part of the economic benefit of the securities. You are also potentially considered to be the beneficial owner of securities owned by a company in which you own securities, or by your trustee, legal representative, and agent or other intermediary. "Control or direction" generally means that you have, by contract, operation of law or other express or implied arrangement, the power to make voting or investment decisions, alone or with others, in respect of securities. For example, if you have discretionary authority over your spouse's brokerage account, you exercise control or direction over securities in that account.

Further, you must not take any other economic or other personal advantage of a material fact or material change concerning the Corporation or another public entity that has not been generally disclosed. For example, if you have knowledge of a material fact or material change concerning the Corporation or another entity that has not been generally disclosed, you may not permit your spouse or any member of your immediate family or household, or anyone acting on your behalf or on behalf of your spouse or any member of your immediate family or household ("**Related Persons**"), to purchase or sell the Corporation's (or other relevant public entity's) securities.

(c) Blackout Periods

In addition to the restrictions on trading referred to in Sections 4(a) and (b) above, trading by Restricted Persons (as defined below) is prohibited in the following “blackout” periods:

- (i) during standard blackout periods (set by the Corporation) pertaining to public release of the Corporation’s quarterly or annual financial results;
- (ii) during the period commencing on the date of the calling of a Board meeting for reasons other than approval of quarterly or annual financial results and continuing until (A) if no press release is issued as a result of the meeting, the opening of trading on the trading day following the date of the meeting, and (B) if a press release is to be issued, the opening of trading on the trading day following the day the press release is issued; and
- (iii) after the receipt of notice (“**Blackout Notice**”) from the Chief Executive Officer (“**CEO**”), the CFO or the electronic system used by the Corporation to communicate an instruction not to trade.

“**Restricted Persons**” means (A) all directors, (B) all officers, (C) for blackouts referred to in (i) above, all Employees, and (D) such other persons indicated in a Blackout Notice or otherwise.

Not all blackout periods will be applicable to all Employees. If an Employee receives a notice advising them to cease trading in securities of the Corporation, he or she must treat that notice as confidential and not advise others (including other Employees) they have received that notice.

The restrictions in this Section 4(c) also apply to Related Persons (as defined above) of Restricted Persons.

You are responsible to ensure you do not trade securities during a Blackout Period. If you are unsure as to whether a blackout period is in effect, contact the CFO or the General Counsel.

(d) Maintaining Confidentiality Generally

While the rules above refer to Confidential Material Information, generally all information regarding the business and activities of the Corporation (material or otherwise) that is not public information is considered by the Corporation to be confidential and should be protected.

Access to such confidential information is limited to Employees who have a “need to know” such information and such persons should be reminded the information is to be kept confidential. Such information should not be discussed with any Employee who does not need to know such information for purposes of conducting the Corporation’s business. Confidential information should not be discussed outside the Corporation, including to family members and friends.

Employees should use reasonable precautions to restrict access to confidential information. The following precautions should be observed, where practicable:

- Confidential Information should be clearly marked "Confidential" and be maintained and locked in places that other persons do not have access to.

- Confidential information should not be discussed in places where the discussion may be overheard or in areas that are not secured, such as elevators, hallways, restaurants, airplanes, taxis, social media, online discussion forums or blogs.
- Confidential information should not be read or displayed in public places and should not be discarded where others can retrieve it.
- Unnecessary copying of confidential information should be avoided and documents containing confidential information should be promptly removed from the conference rooms and work areas after meetings have concluded. Extra copies of confidential information should be shredded or otherwise destroyed.

5. Insider Reporting

Applicable securities laws require a person or entity that is a "reporting insider" of the Corporation to disclose its ownership of securities of the Corporation. Refer to National Instrument 55-104 Insider Reporting Requirements and Exemptions for the definition of "Reporting Insider".

Reporting insiders are required, within 10 calendar days of the date of becoming a reporting insider, to file an insider profile which details certain information with respect to the reporting insider and file an initial insider report that discloses the reporting insider's:

- beneficial ownership of, or control or direction over, whether direct or indirect, securities of the Corporation; and
- interest in, or right or obligation associated with, a related financial instrument involving a security of the Corporation.

A "**related financial instrument**" means (i) an instrument, agreement, security or exchange contract, the value, market price or payment obligations of which are derived from, referenced to or based on the value, market price or payment obligations of a security of the Corporation, or (ii) any other instrument, agreement or understanding that affects, directly or indirectly, a person or company's economic interest in a security of the Corporation.

In addition, subsequently, reporting insiders:

- whose beneficial ownership, control or direction or interest, right or obligation as referred to in (a) or (b) above changes, must file an insider report within 5 calendar days of the date of every such change; and
- whose information in its insider profile changes, must file an amended insider profile to reflect those changes prior to filing their next insider report or, in the case of a change to the reporting insider's name or relationship to the Corporation, within 10 calendar days of such change.

The above reporting applies to all the Corporation's securities, not just the Corporation's common shares. As a result, reporting is required for other shares of the Corporation as well as for rights issued under the Corporation's various securities compensation plans.

The System for Electronic Disclosure by Insiders ("**SEDI**") has been established by the applicable securities regulatory authorities. SEDI facilitates the filing and public dissemination of insider profiles and insider reports in electronic format via the Internet. The SEDI website can be

accessed at www.sedi.ca. Reporting insiders who are required by law to file insider profiles and insider reports in electronic format must use this website to make these filings. **The responsibility for compliance with insider reporting obligations rests solely with each reporting insider. The Corporation takes no responsibility in this regard.**

Securities received by reporting insiders in connection with the Corporation's various securities compensation plans must be reported under the annual filing requirement which requires the reporting insider to file a report by March 31 in the year following the transaction. Contact the General Counsel for information in this regard.

The consequences of non-compliance with these insider reporting requirements (including late or incorrect filings) can be very serious, including the imposition against the reporting insider of significant financial penalties and the issuance of cease trade orders or prohibitions from acting as a director or officer of entities. If you are uncertain about your legal obligations in this regard you should seek advice from legal counsel practicing in the area of securities law.

6. Compliance with this Policy

Non-compliance with the provisions of this Policy will be considered by the Corporation to be a serious offence. Such non-compliance could constitute the breach of, among other things, securities and criminal laws by the person committing the breach. It also could have serious consequences to the Corporation and its directors and officers. If a breach of any of the provisions of this Policy has occurred, the relevant Employee could be subject to disciplinary action (i) for employees, up to and including termination for cause, (ii) for consultants or contractors, up to and including termination of their agreement, and (iii) for directors, up to and including demanding his or her immediate resignation.

7. Policy Review

The Governance Committee shall review this Policy at least annually and present any recommended amendments to this Policy to the Board for approval.

8. No Rights Created

This Policy is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board and its committees direct the affairs of the Corporation. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well in the context of the Corporation's Articles and By-laws, it is not intended to establish any legally binding obligations.

9. Compliance with Law

In all instances, this Policy will comply with applicable laws in the applicable jurisdiction, including applicable securities and corporate laws. To the extent there is an inconsistency between this Policy and applicable laws, the applicable laws shall govern without affecting the remainder of this Policy.

Adopted: Original Undated

Revised: November 5, 2018