

WHISTLEBLOWER POLICY

1. Purpose

Painted Pony Energy Ltd. (the “**Corporation**”) is committed to maintaining the highest standards of professional and ethical conduct in the workplace. The Corporation aspires to conduct its affairs in a manner that promotes transparency, honesty, accountability and integrity. Integrity of the Corporation’s financial and other information is vital as it guides the decisions of the Corporation’s officers and Board of Directors (the “**Board**”) and is relied upon by shareholders, financial markets and other stakeholders.

To that end, this Policy establishes a mechanism whereby individuals can confidentially raise and report legitimate and material concerns and complaints regarding questionable business practices without fear of reprisal.

2. Scope

This Policy applies to directors, officers, employees, consultants and contractors (collectively, “**Employees**”) of the Corporation. Nothing in this Policy is intended to prevent a person from reporting information to a law enforcement or regulatory agency if a breach of federal or provincial law is suspected.

3. Reportable Conduct

Employees are encouraged to promptly report, either orally or in writing, legitimate and material complaints and concerns regarding questionable business practices, including but not limited to:

- (a) unlawful acts, whether civil or criminal;
- (b) violations of the Corporation’s policies including the Corporation’s Code of Business Conduct and Ethics;
- (c) suspect, questionable, unethical, and unlawful accounting or auditing policies, practices or procedures;
- (d) intentional breach of or failure to implement additional accounting and auditing policies, practices and procedures specifically approved by the Board;
- (e) materially inadequate internal accounting controls;
- (f) the misleading or coercion of auditors;
- (g) disclosure of fraudulent or misleading information, financial or otherwise;
- (h) dangerous practices likely to cause material physical harm or damage to any person or property, including environmental damage; and
- (i) instances of corporate fraud.

4. Reporting a Concern

Concerns can be reported to your supervisor or any member of the Corporation's officers, by mail, telephone or e-mail. In instances where a satisfactory response is not received from your immediate supervisor or an officer, or if you are uncomfortable addressing your concerns to your supervisor or an officer, or if you wish to report anonymously, a Whistleblower Report can be made:

- (a) by mail, attention:

Chair of the Audit and Risk Committee – Private and Confidential; and/or
Chair of the Governance Committee – Private and Confidential
Suite 1800, 736 – 6th Avenue S.W.
Calgary, Alberta T2P 3T7

OR

- (b) through the Whistleblower Hotline (EthicsPoint), a 24-hour, online reporting service, accessible through the Corporation's website at www.paintedpony.ca or by telephone at 855-354-3941 from within Canada or the United States. Submissions made through EthicsPoint's reporting service are protected by its secure technology system and the Corporation's management will not have access to any identifying message details. Issues and concerns raised through EthicsPoint will be forwarded directly to the Chair of the Audit and Risk Committee and the Chair of the Governance Committee.

Reports should contain as much specific information as reasonably possible, including names, dates, and events that took place including your perception of why the incident(s) may be a violation or why it/they should be reported under this Policy.

Anonymous complaints and reports can be difficult to properly investigate and resolve, especially if insufficient details are provided in the anonymous report. For this reason, the Corporation encourages non-anonymous reporting under this Policy and reminds Employees that, if the initial report is made directly to the Chair of the Audit and Risk Committee or the Chair of the Governance Committee confidentially (as indicated above) or through the Whistleblower Hotline, the identity of the person making the report will not be disclosed to any officer or employee of the Corporation if the person making the report requests confidentiality.

5. Investigating a Report

Supervisors receiving whistleblowing concerns from Employees are required to promptly report such concerns to the Corporation's General Counsel, Chief Financial Officer, Chief Operating Officer or Chief Executive Officer. They, in turn, are required to promptly report such concern to the Chair of the Audit and Risk Committee and the Chair of the Governance Committee. This process must be handled in a manner that protects the confidentiality of the Employee reporting the concern as well as the concern itself.

Unless it is evident from the initial information provided that the report is not a legitimate matter to which this Policy applies (see item 7 below), the Corporation assumes that a report made under this Policy is made in good faith, is real, legitimate and significant enough to warrant an investigation. Investigating a concern is not the same as accepting it. If urgent action is deemed

to be required, such action may be taken by management or the Board before an investigation is completed.

The Chair of the relevant committee of the Board relating to the subject matter of the complaint will determine the process through which the concern will be investigated.

On the direction of the Chair of the relevant committee, the matters raised may:

- be investigated by management and internal legal counsel;
- be investigated by an external investigator retained by internal legal counsel;
- be investigated by an external investigator retained by external legal counsel; and/or
- be referred to the police.

The overriding principle which the Corporation will have in mind is the best interests of the Corporation and its shareholders in congruence with the Corporation's values.

The amount of contact between the persons investigating and the reporting Employee (if known) will depend on the nature of the matters raised, the potential difficulties involved, and the clarity of the information provided.

In determining what further actions to take, considerations include, but are not limited to:

- the alleged wrongdoer;
- the seriousness of the allegation;
- the credibility of the allegation; and,
- the urgency of an investigation and resolution.

All information disclosed during the investigation, including the name of the reporting Employee will remain confidential, except (i) as required by law, or (ii) as necessary to conduct the investigation and take any remedial action.

6. Discrimination, Retaliation or Harassment

The Corporation has a strict prohibition against discrimination, retaliation or harassment against a person who makes a report under this Policy or who files, testifies, participates in or otherwise assists in a legal proceeding against the Corporation relating to an alleged violation of law.

If you believe that you have been unfairly or unlawfully retaliated against in respect of a report made under this Policy, please report your concern in the same manner as making a report (see above).

Discrimination, retaliation or harassment against a person who makes a report under this Policy may, if warranted, result in legal action and/or disciplinary action up to and including termination for cause.

7. Misuse of this Policy

The Corporation takes reporting under this Policy seriously and ensures that adequate resources (including time and money) are put into the investigation of legitimate complaints and concerns. As such, it is important for the proper stewardship of the Corporation's resources that this Policy not be misused.

Not every misstep or misdeed warrants whistleblowing. The following are not incidents or matters that should be reported under this Policy:

- incidents or matters pertaining to personal, personnel or employment issues or grievances (for example, disputes between employees or workplace bullying and harassment);
- incidents or matters regarding a dispute between the you and the Corporation; or
- incidents or matters involving simple mismanagement (for example, poor supervision) or non-material items as opposed to gross mismanagement or intentional misconduct that poses a material risk to the Corporation, its business or assets, the Employees or the public.

The above can usually be addressed internally through your supervisor, Human Resources or through processes set out in other relevant policies of the Corporation (for example, the Respectful Workplace Policy).

The Corporation regards false, malicious or bad faith allegations as a serious offense. False, malicious or bad faith allegations may, if warranted, result in legal action against the complainant and/or disciplinary action up to and including termination for cause.

Employees should be aware that the protections applicable to whistleblowers set out in this Policy (including, the protection of anonymity) will not apply to reporting that is not legitimately made under this Policy as referred to above or to false, malicious or bad faith allegations.

8. Retention of Documents

All documents relating to the reporting and investigation of a concern received under this Policy must be retained in a confidential and restricted manner. All such documents should be submitted to the General Counsel for retention for the longer of five years or as required by applicable law.

9. Policy Review

The Audit and Risk Committee shall review this Policy at least annually and present any recommended amendments to this Policy to the Governance Committee, which shall consider any such recommendations as part of its annual review of this Policy and shall present any recommended amendments to this Policy to the Board for approval.

10. 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.

11. Compliance with Law

In all instances, this Policy will comply with applicable laws in the applicable jurisdiction, including applicable employment standards, human rights and privacy legislation. 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: Undated Original

Revised: November 5, 2018