

**COELACANTH ENERGY INC.**  
**CHARTER OF THE RESERVES COMMITTEE**  
*(Adopted by the Board of Directors in November of 2022)*

**PURPOSE**

The overall purpose of the Reserve Committee (the "**Committee**") is to review the results of the independent engineering appraisal of the Corporation's oil and gas reserves on behalf of the board of directors (the "**Board**"). The Committee's responsibility is to ensure that the reserves of Coelacanth Energy Inc. (the "**Corporation**") are assessed in a reasonable and consistent manner and provide a satisfactory level of confidence for all stakeholders and the public.

**COMPOSITION, PROCEDURES AND ORGANIZATION**

1. The Committee shall consist of at least three members of the Board, the majority of whom:
  - (a) are individuals who are not, and have not been, during the preceding 12 months:
    - (i) an officer or employee of the Corporation or an affiliate;
    - (ii) a person who beneficially owns 10% or more of the outstanding voting securities of the Corporation; or
    - (iii) a relative of a person referred to in (i) or (ii) above, residing in the same home as that person; and
  - (b) are free from any business or other relationship which could reasonably be seen to interfere with the exercise of independent judgment.

Individuals having engineering or geological backgrounds would be desirable appointees to the Committee.

2. The Board, at its annual organizational meeting of directors held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board shall have appointed a Chair of the Committee, the members of the Committee shall elect a Chair from among their number. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.
4. The Chair shall appoint another member of the Committee to be the secretary of the Committee, unless otherwise determined by the Committee. Minutes of meetings of the Committee shall be recorded and maintained by the secretary of the Committee. Copies of the minutes shall be provided to the Board.
5. The Committee shall meet prior to the approval by the Corporation of its annual financial statements and the reports and statement referred to in Section 2.1 of National Instrument 51-101 ("**NI 51-101**"), and thereafter at such locations as the Chair of the Committee shall determine and may also meet at any other time or times on the call of

the Chair, or any two of the other members of the Committee, or a senior officer of the Corporation responsible for reserve matters.

6. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
7. The Committee shall have access to such officers and employees of the Corporation and to such information respecting the Corporation, and may engage independent consultants and advisors at the expense of the Corporation, all as it considers being necessary or advisable in order to perform its duties and responsibilities.

## **DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee fall into a number of categories which are outlined below:

### **1. Reserve Report and Related Matters**

- (a) Review, with reasonable frequency, the Corporation's procedures relating to the disclosure of information with respect to oil and gas activities, including its procedures for complying with NI 51-101;
- (b) retain an independent qualified reserves evaluator or auditor (the "**Engineering Firm**"), which is a "qualified reserves evaluator" (as defined in NI 51-101), to prepare a report (the "**Engineer's Report**") on the Corporation's petroleum and natural gas reserves including all information required by Form 51-101F1 and Form 51-101F2 under NI 51-101, all in compliance with NI 51-101;
- (c) review, with reasonable frequency, the Corporation's procedures for providing information to the Engineering Firm;
- (d) meet with representatives of the Engineering Firm to discuss and review the preparation and the conclusions contained in the Engineer's Report and whether any restrictions were placed on the Engineering Firm that affected their ability to report on the reserves data without reservation and ensure that the reserves are reported fairly in a manner consistent with industry standards and consider the principal assumptions upon which it is based. *(As a guide to the Committee, attached to this charter as Schedule "A" is a list of questions to be asked by the Committee to the Engineering Firm and to Management);*
- (e) consider and review management's input as necessary into the Engineer's Report and the key assumptions used therein and meet with management as necessary;
- (f) determine whether there have been any disputes between management and the Engineering Firm and confirm such disputes have been adequately resolved;
- (g) review the reserves data and final Engineer's Report;

- (h) report to the Board the results of such review and recommend whether the Board should approve:
  - (i) the statement of reserves data and other information in Form 51-101F1;
  - (ii) the report of the Engineering Firm in Form 51-101F2; and
  - (iii) the report of management and directors in Form 51-101F3,and the filing thereof.
- (i) provide the Board with a summary of all meetings and of its recommendations, together with a copy of the minutes of such meeting for insertion into the Minute Book of the Corporation; where minutes have not yet been published, the Chair shall provide the Board with oral reports as requested. All information reviewed and discussed by the Committee at any meeting shall be retained and made available for examination by the Board upon request to the Chair;
- (j) prior to reporting to the Board:
  - (i) consider the expertise of the Engineering Firm;
  - (ii) hold a meeting (without the presence of management of the Corporation) with representatives of the Engineering Firm to discuss the Report, including the following:
    - (A) the scope of the Engineering Firm's engagement by the Corporation and, in particular, any restrictions thereon;
    - (B) the details of any relationship which the Engineering Firm has with the Corporation that may affect or might be viewed as affecting its independence;
    - (C) the process followed by the Engineering Firm in conducting its reserve analysis;
    - (D) the sources of information for the Engineering Report;
    - (E) whether the Engineering Firm has any reason to think that any of the information provided to it was not accurate or correct;
    - (F) whether the Engineering Firm had access to all information it thought relevant to complete its engagement;
    - (G) discussion of the price and cost forecasts used in the Engineering Report and whether the assumptions used would still be current;
    - (H) discussion of the assumptions made regarding oil and gas marketing and whether the Engineering Firm still considers these assumptions to be reasonable;

- (I) discussion of the reserve additions and reserve revisions, which occurred from the previous report of Corporation's reserves to that of the Engineering Report and the reasons for such revisions;
  - (J) consideration of operating costs, working interests, royalty burdens, required capital expenditures and timing, recovery rates and decline rates;
  - (K) whether the Engineering Firm considered it necessary to carry out any on-site inspections as part of its reserve analysis; and
  - (L) what levels of oil and gas production were assumed in the Report and whether the Engineering Firm had access to information since the date of the Report which allows it to confirm or disaffirm the production profiles and other aspects of the Engineering Report since the date of the Engineering Report;
- (k) do such other things within the scope of its responsibilities, as it may, in its discretion, deem appropriate;
- (l) review and approve all material change reports and related press releases for compliance with NI 51-101;
- (m) review and approve all disclosure with respect to oil and gas activities made by and on behalf of the Corporation:
- (i) to the public;
  - (ii) in any document filed with a securities regulatory authority; or
  - (iii) in other circumstances in which, at the time of making the disclosure, the Corporation knows, or ought reasonably to know, that the disclosure is or will become available to the public,
- for compliance with 51-101;
- (n) when directed by the Board:
- (i) assess and amend as necessary the procedures relating to disclosure of information with respect to the Corporation's oil and gas activities, including the Corporation's procedures for complying with the disclosure requirements and restrictions of NI 51-101; and
  - (ii) have and carry out the same responsibilities as described above under "annual duties and responsibilities" for any evaluation required or requested by management or the Board that is not a yearend evaluation.

**SCHEDULE "A" TO THE RESERVE COMMITTEE CHARTER OF  
COELACANTH ENERGY INC.**

**QUESTIONS TO THE INDEPENDENT ENGINEER**

**Responsibilities:**

To review the reserve evaluations prepared by the Corporation's independent engineering consultants. The committee will conduct this review without senior management of the Corporation.

**Questions:**

1. Relationship Between the Corporation and Independent Engineer
  - (a) Please detail any relationship you have with the Corporation, the Corporation's senior management, or Board of Directors or any of its subsidiaries that might be viewed as affecting your independence?
  - (b) Please detail any relationship you have with any of the Corporation's major shareholders that might be viewed as affecting your independence?
  - (c) Please detail any ownership of shares of the Corporation by your firm or by applicable members of your firm.
  
2. Qualifications
  - (a) How long have you evaluated the Corporation's reserves?
  - (b) Please confirm your firm's professional credentials and qualifications to perform the reserve evaluation on the Corporation's reserves and that you a "qualified reserves evaluator" as defined for purpose of NI 51-101, in respect of the Corporation and the Corporation's reserves.
  - (c) Could you please confirm that you are a member of a self-regulatory professional organization of engineers, geologists, geoscientists or other professionals as required pursuant to the Companion Policy to NI 51-101, and if so which one?
  
3. Evaluation Procedure
  - (a) What proportion of the Corporation's reserves did you evaluate?
  - (b) Did you restrict your review to select properties or was a cross section of properties reviewed?
  - (c) Are you familiar with the Corporation's properties?
  - (d) Please detail the scope of your engagement by the Corporation. Were there any restrictions placed on you by management that affected your ability to report without reservation on the Reserves Data (which includes the reserves based on

both forecast and constant prices and costs and the future net revenue therefrom)?

4. Data Availability

- (a) What were your sources of production, engineering and geological data?
- (b) What were your other sources of information?
- (c) To what extent did you rely on the Corporation's senior management for information?
- (d) Did the Corporation's personnel provide full and timely data to you?
- (e) Do you have any reason to think that any of the information provided to you was not accurate or correct?
- (f) To what extent did you conduct any independent reviews to confirm representations made by the Corporation's senior management?
- (g) To your knowledge was potentially negative data withheld or slanted?
- (h) Did you have access to all information you felt relevant to complete your engagement?

5. Future Net Revenue Forecasts

- (a) Please comment, on an element by element basis (revenue, royalties, operating costs, development costs, abandonment and reclamation costs and future income tax expenses) on the assumptions made in calculating future net revenue in your report.

6. Reserve Revisions

- (a) Are you aware of any reserves currently classified as proved that are material to the Corporation's value and which may need to be written down in the future?
- (b) Please comment on the magnitude and materiality of revisions to the reserve volumes in this year's evaluation? Could you please discuss the nature of the reasons for the revisions to reserves, including having regard to the fact that the revisions appear to be fairly widespread across various areas of the Corporation's operations.
- (c) Were you at any time subject to undue pressure or influence by the Corporation's senior management to book reserves more aggressively than you were comfortable with?

7. Compliance With Industry Standards

- (a) Please confirm your evaluation was performed in accordance with accepted practices.

- (b) Are you aware of, or have you been provided with, any information in a manner not standard or typical industry practice (e.g. Raw gas reserves as opposed to Sales gas reserves)?
- (c) Could you please confirm that your reserve evaluation was prepared in accordance with National Instrument 51-101 (Standards of Disclosure for Oil and Gas Activities)?

8. Evaluation Methodology

- (a) In the context of a corporate evaluation have you reviewed the reserve assignment methodology each year to ensure that appropriately accurate and robust methodologies have been employed (simulation vs performance vs material balance vs volumetric)?
- (b) Could you please describe the methodology and process followed in conducting your reserve analysis including the methods used to determine the reserve volumes and why these methods were chosen.
- (c) Could you please describe what assumptions you have made in respect of production in preparing your reserve analysis and whether your methodology in this regard has changed from prior evaluations?
- (d) Please describe how you have dealt with or handled any royalty or current incentive programs in the context of your evaluation. To your knowledge, is this consistent with how other independent evaluators are dealing with the issue?

9. Probable and Proven Undeveloped Reserve Assignments

- (a) What is the general nature of the probable reserves assigned in your evaluation (i.e. pipeline access, step-out locations, horizontal wells, performance related, etc.)?
- (b) How do you normally incorporate risk adjustments for probable reserves?
- (c) What assumption was made by you as to the expected timing of expenditures on proven undeveloped reserves in your evaluation?

10. Price Forecasts

- (a) Please comment on the price and cost forecast used in your report. Is this the current price forecast used by you? Are there any changes to such forecast anticipated by you in the near future? If so, would there be a material difference in the volume and value of reserves?

11. Environmental

- (a) Are you aware of any environmental concerns relating to any of the Corporation's properties?

12. Costs

- (a) What method did you use to estimate operating costs? How do the Corporation's operating costs compare to other industry participants?
- (b) What methods did you use to estimate capital costs included in your report?

13. Areas of Disagreement

- (a) Were there any significant areas of disagreement with management? If so, how were those disagreements resolved?

14. Subsequent Information

- (a) Since the completion of your report, have you been made aware of any new information which could cause you to rescind or amend your report in any fashion?
- (b) Are there procedures or approaches that should be changed?
- (c) Are there any other matters that you feel should be brought to the Board's attention?



## QUESTIONS FOR MANAGEMENT

### Responsibilities:

To review the reserve evaluations prepared by the Corporation's independent engineering consultants. The committee will conduct this review without the independent engineers present.

### Questions:

1. Could you please explain the procedures employed for providing information to the evaluator to ensure that all relevant information was provided? Did you provide full and timely disclosure of data to the independent evaluators?
2. Were any restrictions placed on the evaluator that would have in any way affected the ability of the evaluator to report without reservation on the Reserves Data (being the reserves based on constant and escalating prices and costs and the future net revenue therefrom)?
3. Did you withhold any information that might have negatively impacted the reserves evaluation?
4. What was the basis for the price forecasts utilized in the evaluations?
5. Are you satisfied with the quality of the evaluations and the services provided by the independent evaluator?
6. How would you describe the consultants' historical evaluation accuracy / consistency?
7. Were there any areas of significant disagreement between senior management and the independent engineers?
8. Could you please discuss the reconciliations of changes in reserves and the future net revenue therefrom and the reasons therefore.
9. Is the development program utilized in the engineering report and reported on by the evaluator consistent with the Corporation's plans? Will the Corporation have adequate financing for all the capital expenditures required?
10. Is/are the Corporation's expectations in respect of the movement of undeveloped proven reserves to the proven category and does the Corporation have adequate funding to make these expenditures?
11. Are there any changes in independent evaluators presently being considered?