

ATHABASCA

OIL CORPORATION

**Notice of Annual General and
Special Meeting of Shareholders
To be held on April 6, 2018
and
Information Circular – Proxy Statement**

Dated March 8, 2018

ATHABASCA

OIL CORPORATION

Notice of Annual General and Special Meeting of Shareholders to be held on April 6, 2018

Place:

Grand Lecture Theatre
The Metropolitan Conference Centre
333 Fourth Avenue, S.W.
Calgary, Alberta

Date:

Friday, April 6, 2018

Time:

9:00 a.m. (Calgary time)

Record Date:

February 27, 2018

Agenda

1. receive and consider the financial statements of the Corporation for the year ended December 31, 2017 and the auditors' report thereon;
2. fix the number of directors to be elected at the Meeting at six;
3. elect the directors of the Corporation;
4. consider, and if thought advisable, pass an ordinary resolution approving all unallocated restricted share units under the Corporation's restricted share unit plan;
5. consider, and if thought advisable, pass an ordinary resolution approving all unallocated options under the Corporation's option plan;
6. consider, and if thought advisable, pass an ordinary resolution approving the Corporation's 2018 shareholder rights plan agreement;
7. appoint Ernst & Young LLP as the auditors of the Corporation and authorize the directors to fix their remuneration as such; and
8. transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the Meeting are set out in the Information Circular-Proxy Statement of the Corporation accompanying this notice.

If you are a registered shareholder and are unable to attend the Meeting in person, you are requested to complete, date and sign the enclosed instrument of proxy and return it by mail, hand delivery or fax to the Corporation's transfer agent, Computershare Trust Company of Canada, as follows:

1. By mail or hand delivery to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or
2. By facsimile to (416) 263-9524 or 1-866-249-7775.

Alternatively, shareholders may vote through the internet at www.investorvote.com or by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America). Shareholders require the 15 digit control number that may be found on the instrument of proxy in order to vote through the internet or by telephone.

In order to be valid and acted upon at the Meeting, instruments of proxy as well as votes by internet and telephone must be received not less than 48 hours (excluding weekends and holidays) before the time set for the Meeting or any adjournment or postponement thereof. Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder's risk. The Corporation reserves the right to accept late proxies. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice. The Chair of the Meeting is under no obligation to accept or reject late proxies.

If you are a beneficial or non-registered shareholder, you should follow the instructions on the voting instruction form provided by your broker or other intermediaries with respect to the procedures to be followed for voting at the Meeting.

Shareholders of record at the close of business on February 27, 2018 will be entitled to vote at the Meeting.

DATED at Calgary, Alberta, March 8, 2018.



BY ORDER OF THE BOARD
(Signed) "Ronald Eckhardt"
Ronald Eckhardt
Chair of the Board

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Information Circular – Proxy Statement

**For the Annual General and Special Meeting
of Shareholders to be held on April 6, 2018 (the “Meeting”)**

Dated March 8, 2018

Shareholder and Voting Information

If you are a registered shareholder and are unable to attend the Meeting in person, please exercise your right to vote by proxy. In order to be effective, the proxy must be sent by mail, hand delivery or fax to Athabasca Oil Corporation's ("Athabasca", the "Corporation", "us", "our" or "we") transfer agent, Computershare Trust Company of Canada, as follows:

1. By mail or hand delivery to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or
2. By facsimile to (416) 263-9524 or 1-866-249-7775.

Alternatively, please vote through the internet at www.investorvote.com or by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America). Registered shareholders will require the 15 digit control number that may be found on the instrument of proxy in order to vote through the internet or by telephone.

The Corporation may use the Broadridge QuickVote™ service to assist non-registered shareholders to conveniently vote their common shares in the capital of the Corporation (the "Common Shares").

In order to be valid and acted upon at the Meeting, instruments of proxy as well as votes by internet and telephone must be received in each case not less than 48 hours (excluding weekends and holidays) before the time set for the Meeting or any adjournment or postponement thereof.

Shareholders are cautioned that the use of mail to transmit proxies is at each shareholder's risk. The Corporation reserves the right to accept late proxies. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice. The Chair of the Meeting is under no obligation to accept or reject any late proxies.

Solicitation of Proxies by Management

This information circular – proxy statement (the "Circular") is furnished in connection with the solicitation of proxies by management of the Corporation for use at the Meeting. Shareholders of record on February 27, 2018 (the "Record Date") are entitled to receive notice of, and to attend and vote at, the Meeting.

The instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The persons named in the enclosed instrument of proxy are our officers. As a registered shareholder, you have the right to appoint another person (who need not be a shareholder) to

represent you at the Meeting. To exercise this right you should insert the name of your desired representative in the blank space provided in the form of proxy and strike out the other names or submit another appropriate proxy.

Unless otherwise stated, the information contained in the Circular is given as at March 8, 2018. All dollar amounts in the Circular, unless otherwise indicated, are stated in Canadian currency.

No person has been authorized by the Corporation to give any information or make any representations in connection with the Meeting other than as described in the Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Corporation.

Exercise of Discretion by Proxy

The Common Shares represented by proxy will be voted or withheld from voting on any matter that may properly come before the Meeting. Where you specify a choice with respect to any matter to be acted upon at the Meeting, your Common Shares will be voted in accordance with your instructions. If you do not provide instructions, your Common Shares will be voted in favour of the matters to be acted upon as set out in the Circular. A shareholder has the right to appoint a person or entity (who need not be a shareholder) to attend and act for him or her on his or her behalf at the Meeting other than the persons named in the enclosed instrument of Proxy. The

persons named in the enclosed proxy will have discretionary authority with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested. At the time of printing the Circular, we know of no such amendment, variation or other matter.

Advice to Beneficial Holders of Common Shares

The information contained in this section is of significant importance to you if you do not hold your Common Shares in your own name (referred to in the Circular as “**Beneficial Shareholders**”). Only proxies deposited by shareholders whose names appear on the Corporation’s records as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name in the Corporation’s records. Such Common Shares will likely be registered under the name of your broker or an agent of that broker. In Canada, most Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your Common Shares. Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your Common Shares are voted at the Meeting.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) or another intermediary. If you receive a voting instruction form from Broadridge or another intermediary it cannot be used as a proxy to vote Common Shares directly at the Meeting as the proxy must be returned (or otherwise reported) as described in the voting instruction form well in advance of the Meeting in order to have the Common Shares voted.

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of the broker), you may attend the Meeting as proxyholder for the registered shareholder and vote Common Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for the registered shareholder, you should enter your own name in the blank space on the form of proxy provided to you and return it to your broker (or the broker’s agent who provided it to you) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

These materials are being sent to both registered and non-registered owners of Common Shares. If you are a non-registered owner, and Athabasca or its agent has sent these materials directly to you, your name and address and information about your holding of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

The Corporation is not using “notice-and-access” to send its proxy-related materials to shareholders, and paper copies of such materials will be sent to all shareholders. The Corporation will not send proxy-related materials directly to non-objecting Beneficial Shareholders and such materials will be delivered to non-objecting Beneficial Shareholders by Broadridge or through the non-objecting Beneficial Shareholder’s intermediary. The Corporation intends to pay for the costs of an intermediary to deliver to objecting Beneficial Shareholders the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary* of National Instrument 54-101.

Revocability of Proxy

You may revoke your proxy at any time prior to a vote. If you or the person you appoint as your proxy attends personally at the Meeting, you or such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective

the instrument must be in writing and must be deposited either with us c/o our transfer agent Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at any time prior to 4:30 p.m. (Calgary time) on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used, or with the chair of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

Persons Making the Solicitation

This solicitation is made on behalf of Athabasca’s management. Athabasca will bear the costs incurred in the preparation and mailing of the form of proxy, Notice of Annual General and Special Meeting and the Circular. In addition to mailing forms of

proxy, proxies may be solicited by telephone, personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefor.

Quorum, Voting Shares and Principal Holders Thereof

We are authorized to issue an unlimited number of Common Shares. As of the Record Date, there were 510,230,393 Common Shares issued and outstanding. The holders of Common Shares are entitled to one vote for each Common Share held. The Board has fixed the Record Date for the meeting as the close of business on February 27, 2018.

Business may be transacted at the Meeting if not less than two persons are present holding or representing by proxy not less

than 10% of the Common Shares entitled to be voted at the Meeting. If a quorum is present at the opening of the Meeting, the shareholders present or represented by proxy may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the shareholders present or represented by proxy may adjourn the Meeting to a fixed time and place but may not transact any other business.

To the knowledge of our directors and executive officers, as at the date hereof, there is no person or company who beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, other than as set forth below:

Shareholder Name	Type of Ownership	Number and Percentage of Common Shares Owned, Controlled or Directed ⁽¹⁾
Statoil Canada Limited	Record and Beneficial	100,000,000 Common Shares (19.6%) ⁽²⁾

(1) To the knowledge of the Corporation, none of the Common Shares are held subject to any voting trust or other similar agreement.

(2) Based on 510,230,393 Common Shares being issued and outstanding on the Record Date.

Matters to be Acted Upon at the Meeting

Presentation of Financial Statements

At the Meeting, shareholders will receive and consider our financial statements for the fiscal year ended December 31, 2017 together with the report of our auditors. No formal action is

required or proposed to be taken at the Meeting with respect to the financial statements.

Fixing the Number of Directors

We currently have six directors and at the Meeting, holders of Common Shares will be asked to consider and, if thought to be appropriate, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at six. Accordingly, unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of the ordinary resolution fixing the number of directors to be elected at the

Meeting at six. This number may be adjusted between shareholders' meetings by way of resolution of the board of directors of the Corporation (the "**Board**"). In order to be effective, the ordinary resolution in respect of fixing the number of directors to be elected at the Meeting at six must be passed by a simple majority of the votes cast by shareholders present in person or by proxy at the Meeting.

Election of Directors

Management is soliciting proxies, in the accompanying form of proxy, for an ordinary resolution in favour of the election of the following six nominees as directors of the Corporation: Ronald Eckhardt, Bryan Begley, Robert Broen, Anne Downey, Carlos Fierro and Marshall McRae. See "*Director Nominees*" below for information about each of the nominees. Each director will hold office until the close of the next annual meeting of our shareholders or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated.

The enclosed form of proxy permits shareholders to vote "for" or to "withhold" their vote in respect of each director nominee. Management has no reason to believe that any of the nominees will be unable to serve as director but, should any nominee become unable to do so for any reason prior to the Meeting, the persons named in the accompanying form of proxy, unless

directed to withhold from voting, reserve the right to vote for other nominees at their discretion.

The election of each of the director nominees must be approved by a simple majority of the votes cast by shareholders present in person or by proxy at the Meeting.

Management recommends that shareholders vote FOR the election of each of the nominees. The persons named in the enclosed form of proxy intend to vote FOR the election of each of these nominees unless the shareholder specifies authority to do so is withheld.

Restricted Share Unit Plan

In 2015, Athabasca implemented a new restricted share unit plan (the "**RSU Plan**" or the "**New RSU Plan**"), which allows it to grant New RSUs (as defined below) to all officers, directors and employees of the Corporation. The New RSU Plan was initially approved at the annual and special meeting of the shareholders held on April 21, 2015. A summary and the full text of the New RSU Plan are set forth in Appendices D and A, respectively.

The New RSU Plan provides that the maximum number of Common Shares reserved for issuance from time to time pursuant to outstanding incentive awards ("**New RSUs**") shall not exceed a number of Common Shares equal to 10% of the issued and outstanding Common Shares (less the number of Common Shares issuable pursuant to all of the Corporation's other security based compensation arrangements). Because the New RSU Plan

provides that a fixed percentage of the issued and outstanding Common Shares reserved for issuance pursuant to the New RSU Plan is not a fixed number, the Toronto Stock Exchange ("**TSX**") requires a majority of the Board and shareholders to approve, every three years, all unallocated New RSUs under the New RSU Plan.

In early 2018, the Compensation and Governance Committee undertook a review of the New RSU Plan to ensure it remains market competitive and continues to satisfy the long-term incentive and employee retention objectives of the Corporation. Through the New RSU Plan, employees participate in Athabasca's growth and are motivated and rewarded for their performance and contributions to the Corporation's long-term success. In light of the foregoing, at the Board meeting held on March 7, 2018,

the Board unanimously approved all unallocated New RSUs under the New RSU Plan and approval will be sought from shareholders to approve the grant of unallocated New RSUs under the New RSU Plan at the Meeting. If shareholder approval is obtained at the Meeting, Athabasca will not be required to seek further approval for the grant of unallocated New RSUs under the New RSU Plan until April 6, 2021. If approval of the unallocated New RSUs is not obtained at the Meeting, Athabasca may need to pursue substitute forms of incentive which may prove to be less effective and more costly to Athabasca (as New RSUs which have not been allocated as of April 6, 2018 and Common Shares which are reserved for issuance pursuant to New RSUs which are outstanding as of April 6, 2018 and which are subsequently cancelled, terminated or exercised will not be available for a new grant of New RSUs under the New RSU Plan). Previously allocated New RSUs will continue to be unaffected by the approval or disapproval of the resolution.

The Corporation notes that it has a legacy restricted share unit plan dated February 25, 2010 (the “**2010 RSU Plan**”). Upon the adoption of the New RSU Plan, the Board determined that the Corporation would not make further grants under the 2010 RSU Plan, however certain Athabasca directors, officers and employees still have outstanding grants made under the 2010 RSU Plan. For a summary of the terms of the 2010 RSU Plan, see Appendix D attached to the Circular.

As at the Record Date, the maximum number of Common Shares that may be issued under the New RSU Plan and all other security based compensation arrangements, including the Option Plan, 2010 RSU Plan and Performance Plan (each as defined herein), was 51,023,039 representing 10% of the number of issued and outstanding Common Shares on that date. As at the Record Date, Athabasca had outstanding Options, 2010 RSUs, New RSUs and Performance Awards (each as defined herein) to potentially acquire 25,567,457 Common Shares under the Option Plan, 2010 RSU Plan, New RSU Plan and Performance Plan (representing approximately 5.0% of the outstanding Common Shares), leaving up to 25,455,582 Common Shares available for future grants under the New RSU Plan and all other security based compensation arrangements, based on the number of outstanding Common Shares as at that date (representing approximately 5.0% of the outstanding Common Shares).

As at December 31, 2017, the maximum number of Common Shares that may be issued under the New RSU Plan and all other security based compensation arrangements was 51,004,047 representing 10% of the number of issued and outstanding Common Shares on that date. As at December 31, 2017, Athabasca had outstanding Options, 2010 RSUs, New RSUs and Performance Awards (each as defined herein) to potentially acquire 25,898,856 Common Shares under the Option Plan, 2010 RSU Plan, New RSU Plan and Performance Plan (representing approximately 5.1% of the outstanding Common Shares),

leaving up to 25,105,191 Common Shares available for future grants under the New RSU Plan and all other security based compensation arrangements, based on the number of outstanding Common Shares as at that date (representing approximately 4.9% of the outstanding Common Shares).

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution:

“**BE IT RESOLVED**, as an ordinary resolution of the shareholders of the Corporation, that:

1. the New RSU Plan, substantially in the form attached as Appendix A to the Circular and described under the heading “*Matters to be Acted Upon at the Meeting – Restricted Share Unit Plan*” in this Circular is hereby confirmed and approved;
2. all unallocated New RSUs issuable under the New RSU Plan are approved and authorized, which approval and authorization shall be effective until April 6, 2021;
3. any one officer or director of the Corporation be and is hereby authorized to execute and deliver all such agreements and documents, whether under the corporate seal or otherwise, and to take all action, as such officer or director shall deem necessary or appropriate to give effect to the foregoing resolutions; and
4. notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors.”

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by shareholders present in person or by proxy at the Meeting.

The Board recommends that you vote FOR the foregoing resolution. It is the intention of management to vote proxies “FOR” approval of the ordinary resolution above, unless otherwise directed.

All existing grants of New RSUs under the New RSU Plan will continue in effect even if shareholder approval of the foregoing resolution is not obtained at the Meeting, and notwithstanding the fact that greater than three years will have passed since the last approval of unallocated New RSUs at the annual and special meeting of shareholders held on April 21, 2015.

Stock Option Plan

As discussed above, the TSX requires that every three years after the institution of a security based compensation arrangement which does not have a fixed maximum number of securities issuable, all unallocated rights, options or other entitlements under such arrangement must be approved by a majority of the issuer's directors and by the issuer's shareholders. The Corporation's Stock Option Plan (the "**Option Plan**") was first made effective September 1, 2009, amended on March 14, 2012 and most recently ratified and approved by a majority of the Corporation's shareholders at the annual and special meeting on April 21, 2015.

Similar to the New RSU Plan discussed above, the Option Plan is considered to be a security based compensation arrangement. The Option Plan also provides that the maximum number of Common Shares reserved for issuance from time to time pursuant to outstanding stock options ("**Options**") is not a fixed number and instead shall not exceed a number of Common Shares equal to 10% of the issued and outstanding Common Shares from time to time (less the number of Common Shares issuable pursuant to all other security based compensation arrangements). The Option Plan permits the Board to grant Options to all officers, directors and employees of the Corporation. The full text of the Option Plan is attached as Appendix B to the Circular.

The Board believes the Corporation's Option Plan is an important component of an overall compensation program that is used to retain its key executives. Tying a portion of an executive's compensation to the performance of the Corporation's Common Share price provides an effective incentive to maximize shareholder value by those in the best position to maximize that value. In light of the foregoing, at the Board meeting held on March 7, 2018, the Board unanimously approved all unallocated Options under the Option Plan and approval will be sought at the Meeting to approve the unallocated Options under the Option Plan. If shareholder approval is obtained at the Meeting, Athabasca will not be required to seek further approval for the unallocated Options under the Option Plan until April 6, 2021. If approval of the unallocated Options is not obtained at the Meeting, Athabasca may need to pursue substitute forms of incentive which may prove to be less effective and more costly to Athabasca (as Options which have not been allocated as of April 6, 2018 and Common Shares which are reserved for issuance pursuant to Options which are outstanding as of April 6, 2018 and which are subsequently cancelled, terminated or exercised will not be available for a new grant of Options under the Option Plan). Previously allocated Options will continue to be unaffected by the approval or disapproval of the resolution.

As discussed further in the Circular at "*Compensation Discussion and Analysis – Long-Term Equity Incentive Plans – Option Plan*",

the Board elected in 2017 to provide some of its key executives with a one-time grant of Options to retain the talent required to maintain the Corporation's momentum as it has rapidly transformed into an intermediate oil weighted producer. To ensure that other shareholders are not excessively diluted, however, the Board limited all grants of Options in 2017 to executives of the Corporation and elected not to grant any Options at all in 2018.

As at the Record Date, the maximum number of Common Shares that may be issued under the Option Plan and all other security based compensation arrangements, was 51,023,039, representing 10% of the number of issued and outstanding Common Shares on that date. As at the Record Date, Athabasca had outstanding Options, 2010 RSUs, New RSUs and Performance Awards to potentially acquire 25,567,457 Common Shares under the Option Plan, 2010 RSU Plan, New RSU Plan and Performance Plan (representing approximately 5.0% of the outstanding Common Shares), leaving up to 25,455,582 Common Shares available for future grants under the Option Plan and all other security based compensation arrangements, including the New RSU Plan and Performance Plan, based on the number of outstanding Common Shares as at that date (representing approximately 5.0% of the outstanding Common Shares).

As at December 31, 2017, the maximum number of Common Shares that may be issued under the New RSU Plan and all other security based compensation arrangements, was 51,004,047 representing 10% of the number of issued and outstanding Common Shares on that date. As at December 31, 2017, Athabasca had outstanding Options, 2010 RSUs, New RSUs and Performance Awards (each as defined herein) to potentially acquire 25,898,856 Common Shares under the Option Plan, 2010 RSU Plan, New RSU Plan and Performance Plan (representing approximately 5.1% of the outstanding Common Shares), leaving up to 25,105,191 Common Shares available for future grants under the New RSU Plan and all other security based compensation arrangements, based on the number of outstanding Common Shares as at that date (representing approximately 4.9% of the outstanding Common Shares).

Accordingly, at the Meeting, the following ordinary resolution will be presented:

"**BE IT RESOLVED**, as an ordinary resolution of the shareholders of the Corporation, that:

1. the Option Plan, substantially in the form attached as Appendix B to the Circular and described under the heading "*Matters to be Acted Upon at the Meeting – Option Plan*" in the Circular is hereby confirmed and approved;
2. all unallocated Options (including the Common Shares to be issued pursuant to the exercise of such Options) issuable

under the Corporation's Option Plan are hereby approved and authorized, which approval and authorization shall be effective until April 6, 2021;

3. any one officer or director of the Corporation be and is hereby authorized to execute and deliver all such agreements and documents, whether under the corporate seal or otherwise, and to take all action, as such officer or director shall deem necessary or appropriate to give effect to the foregoing resolutions; and
4. notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by shareholders present in person or by proxy at the Meeting.

The Board recommends that you vote FOR the foregoing resolution. It is the intention of management to vote proxies "FOR" approval of the ordinary resolution above, unless otherwise directed.

All existing outstanding grants of options under the Option Plan will continue in effect even if shareholder approval of the foregoing resolution is not obtained at the Meeting, and notwithstanding the fact that greater than three years will have passed since the last approval of unallocated options under the Option Plan at the annual and special meeting of shareholders held on April 21, 2015.

Updated Shareholder Rights Plan

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve a new shareholder rights plan agreement, which was approved by the Board on March 7, 2018 (the "**2018 Rights Plan**"). A summary of the principal terms of the 2018 Rights Plan is provided in Appendix C to the Circular. The full text of the 2018 Rights Plan is available on the Corporation's website at www.atha.com.

In connection with the initial public offering by the Corporation of its Common Shares in April of 2010, the Corporation adopted the current shareholder protection rights plan agreement between the Corporation and Olympia Trust Company, as rights agent, dated effective April 8, 2010 (the "**Existing Rights Plan**"). The Existing Rights Plan was reconfirmed, ratified and approved by the shareholders of the Corporation on May 10, 2012 for a further three years in accordance with its terms, and was subsequently amended and restated and approved by the shareholders of the Corporation at the annual general and special meeting of the Corporation that was held on April 21, 2015. The Existing Rights Plan will expire at the close of business on the first Business Day (as defined in the Existing Rights Plan) following the Meeting (unless it is earlier terminated in accordance with its terms).

The Corporation reviewed the Existing Rights Plan for conformity with current practices of Canadian companies with respect to shareholder rights plans. The Corporation believes that the 2018 Rights Plan preserves the fair treatment of its shareholders, is consistent with current best Canadian corporate governance practices and addresses institutional investor guidelines. The 2018 Rights Plan includes updates to reflect amendments that were made to the securities legislation governing take-over bids

in Canada in May 2016 (the "**Legislative Amendments**"), to reflect current market practice and to make other amendments of a housekeeping nature. Approval of the 2018 Rights Plan is therefore being sought in order to ensure the continued protection of all shareholders after expiration of the Existing Rights Plan.

If the 2018 Rights Plan is approved by the shareholders of the Corporation at the Meeting, the 2018 Rights Plan will remain in effect until the close of business on the date of the annual meeting of shareholders to be held three years after such approval occurs, unless terminated earlier in accordance with its terms (the "**Expiration Time**"). If the 2018 Rights Plan is not approved by the shareholders of the Corporation at the Meeting, the Existing Rights Plan will expire at the close of business on the first Business Day (as defined in the Existing Rights Plan) following the Meeting (unless it is earlier terminated in accordance with its terms).

Objectives of the 2018 Rights Plan

In asking shareholders to approve the 2018 Rights Plan, the Board considered the legislative framework in Canada governing take-over bids, as modified by the Legislative Amendments. Under provincial securities legislation, a take-over bid generally means an offer to acquire voting securities of a person or persons, where the securities subject to the offer to acquire, together with securities already owned by the bidder and certain related parties, constitute 20% or more of the outstanding securities. The 2018 Rights Plan is designed to address certain concerns raised by the existing legislative framework by creating

mechanisms to assist in maximizing shareholder value in the face of a take-over bid and encouraging fair and equal treatment of all shareholders.

The objectives of the 2018 Rights Plan are to: (a) ensure, to the extent possible, that all holders of the Common Shares and the Board have adequate time to consider and evaluate any unsolicited take-over bids for the Common Shares; (b) provide the Board with adequate time to identify, solicit, develop and negotiate value-enhancing alternatives, as considered appropriate, to any unsolicited take-over bid; (c) encourage the fair treatment of the Corporation's shareholders in connection with any unsolicited take-over bid; and (d) generally assist the Board in enhancing shareholder value. The 2018 Rights Plan is similar to plans adopted by other Canadian companies.

The 2018 Rights Plan encourages a potential acquirer who makes a take-over bid to proceed either by way of a "Permitted Bid" (as defined in the 2018 Rights Plan) which generally requires that a take-over bid satisfy certain minimum standards designed to promote fairness or with the concurrence of the Board. If a take-over bid fails to meet the "Permitted Bid" definition, the 2018 Rights Plan provides that holders of Common Shares, other than the acquirer, will be able to purchase additional Common Shares at a significant discount to market, thus exposing the acquirer to substantial dilution of its holdings.

It is not the intention of the Board in adopting the 2018 Rights Plan to either secure the continuance of the Board or management of the Corporation or to preclude a take-over bid for control of the Corporation. The adoption of the 2018 Rights Plan is not being recommended in response to or in contemplation of any known take-over bid or other similar transaction. Neither management nor the Board is aware of any pending, threatened or proposed acquisition or take-over bid of the Corporation. Even in the context of a take-over bid that does not meet the Permitted Bid criteria, the Board is always bound by its fiduciary duty to consider any take-over bid for the Corporation and consider whether or not it should waive the application of the 2018 Rights Plan in respect of such bid. In discharging such responsibility, the Board will be obligated to act honestly and in good faith and in the best interests of the Corporation.

The 2018 Rights Plan applies to the Common Shares, securities that are convertible into Common Shares, as well as any other shares with voting rights that may be issued by the Corporation.

Currently, the Common Shares are the only class of shares issued and outstanding. Should the Corporation issue a new class of voting shares in the future, the 2018 Rights Plan would apply to those voting shares in the same manner described below. The Corporation does not have any present intention of issuing any other class of voting shares.

Approval Required

Shareholders will be asked at the Meeting to consider and, if thought advisable, to approve the 2018 Rights Plan. Accordingly, at the Meeting, shareholders will be asked to consider and approve an ordinary resolution in the following form:

"BE IT RESOLVED, as an ordinary resolution of the shareholders of the Corporation, that:

1. the 2018 Rights Plan, on the terms described in the accompanying Circular is hereby confirmed and approved;
2. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and
3. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by shareholders present in person or by proxy at the Meeting.

The Board has determined that the 2018 Rights Plan is in the best interests of the Corporation and its shareholders and unanimously recommends you vote FOR the foregoing resolution. It is the intention of the management to vote proxies "FOR" approval of the ordinary resolution above, unless otherwise directed.

Appointment of Auditors

On the recommendation of the Audit Committee of the Board, management is soliciting proxies in favour of the appointment of Ernst & Young LLP, Chartered Accountants, of Calgary, Alberta, as our auditors, to hold office until the next annual meeting of our shareholders and to authorize the directors to fix their remuneration as such. Ernst & Young LLP were first appointed as our auditors on April 16, 2007.

See “Audit Committee Information” in the Corporation’s annual information form for the year ended December 31, 2017, an electronic copy of which is available on the Corporation’s SEDAR profile at www.sedar.com, for additional information required to be disclosed in accordance with National Instrument 52-110 – *Audit Committees*, including a description of fees we paid to Ernst & Young LLP in the last fiscal year.

Director Nominees

Below are the profiles of each of the director nominees, together with information regarding the compensation paid to each director during the year ended December 31, 2017 (other than for Mr. Broen, whose compensation, as a member of management, is described under the heading “*Compensation Discussion & Analysis – Compensation of Named Executive Officers*”).

Director Nominee Profiles

Ronald J. Eckhardt



Chairman of the Board
Alberta, Canada

Status: Independent

Director since: April 1, 2012

Other Public Company Board Memberships:

- NuVista Energy Ltd.

Current Committee Memberships:

- Audit
- Compensation & Governance
- Reserves

Mr. Eckhardt is currently retired. Previously, he was Executive Vice President, North American Operations of Talisman Energy Inc., a publicly traded energy company listed on the TSX, from October 2003 to September 2009. He has earned a Bachelor of Science in Mechanical Engineering from the University of Manitoba and started his career with Shell Canada Resources in 1977.

2017 Board and Committee Meeting Attendance:

Meeting Attendance⁽²⁾

Board (Chair)	7 of 7 (100%)
Reserves	2 of 2 (100%)
Audit	4 of 4 (100%)
Compensation & Governance	3 of 3 (100%)

Ownership:

December 31, 2017

Common Shares Owned, Controlled or Directed	340,000
Deferred share units (“DSUs”)	418,224
2010 RSUs	18,750
Total Market Value of Common Shares, DSUs and 2010 RSUs ⁽¹⁾	\$829,487

Bryan Begley

Director
New York, U.S.A.

Status: Independent

Director since: March 9, 2016

Other Public Company Board Memberships:

- None

Current Committee Memberships:

- Compensation and Governance (Chair)
- Reserves

Mr. Begley is currently a Managing Director and Partner at 1901 Partners, a private equity firm formed in 2014 to make private investments in the energy sector. From 2007 to 2014, Mr. Begley served as a Managing Director of ZBI Ventures, LLC, a private equity firm focused on the energy sector. Prior to joining ZBI Ventures, Mr. Begley was a Partner at McKinsey & Co. in the Houston and Dallas offices where he advised clients across the global energy sector. He began his career as an engineer with Phillips Petroleum Company.

2017 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	7 of 7 (100%)
Reserves	2 of 2 (100%)
Compensation and Governance	3 of 3 (100%)

Ownership:

December 31, 2017

Common Shares Owned, Controlled or Directed	500,010
DSUs	256,502
Total Market Value of Common Shares and DSUs ⁽¹⁾	\$809,468

Robert Broen



**President and
Chief Executive Officer
Alberta, Canada**

Status: Not independent

Director since: April 21, 2015

Other Public Company Board Memberships:

- None

Current Committee Memberships:

- None

Mr. Broen became the President and Chief Executive Officer of the Corporation on April 21, 2015. Previously, he was President and Chief Operating Officer, from January 6, 2015 to April 21, 2015; Chief Operating Officer of the Corporation from October 11, 2013 to January 6, 2015; and Senior Vice President, Light Oil of the Corporation from November 26, 2012 to October 11, 2013. Mr. Broen is a member of the Canadian Association of Petroleum Producers Board of Governors. Before joining Athabasca, Mr. Broen was Senior Vice President, North American Shale with Talisman Energy Inc. from April 2012 to October 2012 and President, Talisman Energy USA Inc. from December 2009 to April 2012. Mr. Broen was also a member of the board of directors of Talisman Energy USA Inc. from December 2009 to April 2012.

2017 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	7 of 7 (100%)
Reserves	2 of 2 (non-member)
Compensation & Governance	3 of 3 (non-member)
Audit	4 of 4 (non-member)

Ownership:

December 31, 2017

Common Shares Owned, Controlled or Directed	767,436
Options	4,403,600
2010 RSUs	154,567
New RSUs	359,833
Performance Awards	966,800
Units of a fund that holds Common Shares ("Fund Units")	71,402
Total Market Value of Common Shares, Options, 2010 RSUs, New RSUs, Performance Awards and Fund Units ^{(1),(3)}	\$2,466,984

Anne Downey



Director
Alberta, Canada

Status: Not Independent

Director since: September 1, 2017

Other Public Company Board Memberships:

- None

Current Committee Memberships:

- Reserves (Chair)

Ms. Downey brings over 40 years of upstream oil and gas experience. Until her retirement from Statoil Canada Ltd. in 2017, she had been the Vice President Operations responsible for oil sands asset development, operations and technology strategy and implementation for more than five years. She has also had senior roles with Gulf Canada and Petro-Canada. Ms. Downey was selected by the provincial government to be an industry member of the Alberta Government's Oil Sands Advisory Group.

2017 Board and Committee Meeting Attendance:

Meeting Attendance⁽⁵⁾

Board	2 of 2 (100%)
Reserves	0 of 0 (100%)

Ownership:

December 31, 2017

Common Shares Owned, Controlled or Directed	0
DSUs	105,263
Total Market Value of Common Shares and DSUs ⁽¹⁾	\$112,631

Carlos Fierro



Director
Washington, D.C., U.S.A.

Status: Independent

Director since: January 6, 2015

Other Public Company Board Memberships:

- Shell Midstream Partners, L.P.

Current Committee Memberships:

- Audit
- Compensation and Governance

Mr. Fierro is a private investor and consultant based in Washington, D.C. Mr. Fierro serves on the board, audit committee and conflicts committee of Shell Midstream Partners. From May 2016 to present, Mr. Fierro has served as a Senior Advisor to Guggenheim Securities, the investment banking arm of Guggenheim Partners. From September 2008 to June 2013, Mr. Fierro was a Managing Director and the Global Head of the Natural Resources Group for Barclays PLC. Prior thereto, Mr. Fierro spent 11 years at Lehman Brothers, where his last role was the Global Head of the Natural Resources Group. Before joining Lehman Brothers, Mr. Fierro was a transactional lawyer with Baker Botts LLP, where he practiced corporate, M&A and securities law.

2017 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	6 of 7 (86%)
Audit	4 of 4 (100%)
Compensation & Governance	3 of 3 (100%)

Ownership:

December 31, 2017

Common Shares Owned, Controlled or Directed	45,137
DSUs	353,016
2010 RSUs	5,146
Total Market Value of Common Shares, DSUs and 2010 RSUs ⁽¹⁾	\$431,015

Marshall McRae



Director
Alberta, Canada

Status: Independent

Director since: October 30, 2009

Other Public Company Board Memberships:

- Gibson Energy Inc.
- Black Diamond Group Limited
- Source Energy Services Ltd.

Current Committee Memberships:

- Audit (Chair)

Mr. McRae was the interim Executive Vice President and Chief Financial Officer of Black Diamond Group Limited, a remote lodging, modular building and energy services company listed on the TSX, from October 2013 to August 2014, and Executive Vice President from August 2014 to December 2014. Mr. McRae has been an independent financial and management consultant since August 2009. Prior thereto, he was Chief Financial Officer of CCS Inc., administrator of CCS Income Trust, a publicly traded energy and environmental services trust listed on the TSX, and its successor corporation, CCS Corporation, a private energy and environmental services company, from August 2002 until August 2009.

2017 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	6 of 7 (86%)
Audit	4 of 4 (100%)

Ownership:

	December 31, 2017
Common Shares Owned, Controlled or Directed ⁽⁴⁾	53,214
DSUs	269,506
2010 RSUs	37,500
Total Market Value of Common Shares, DSUs and 2010 RSUs ⁽¹⁾	\$381,685

Notes:

- (1) "Total Market Value" was determined by (a) multiplying the number of Common Shares held by the nominee as of December 31, 2017 by the closing price of the Common Shares on the TSX on December 29, 2017 (\$1.07); adding (b) the sum of the number of Common Shares issuable upon exercise of in-the-money Options (if any) and 2010 RSUs (if any) held, multiplied by the difference between the closing price of the Common Shares on the TSX on December 29, 2017 (\$1.07) less the exercise price of any in-the-money Options and 2010 RSUs; and adding (c) the market or payout value of DSUs held multiplied by the closing price of the Common Shares on the TSX on December 29, 2017 (\$1.07).
- (2) Mr. Eckhardt was appointed a member of the Audit Committee on April 25, 2017. Mr. Eckhardt attended all of the Audit Committee meetings that were held after his appointment as well as one as a non-member. Mr. Eckhardt was reappointed to the Compensation and Governance Committee following Mr. Sykes resignation on November 17, 2017 and attended all meetings in 2017 including meetings as a non-member.
- (3) Mr. Broen's "Total Market Value" also includes values for Performance Awards, New RSUs, and Fund Units. As at December 31, 2017, the value of each Performance Award, New RSU and Fund Unit was the closing price of the Common Shares on the TSX on December 29, 2017 (\$1.07).
- (4) Included for Mr. McRae are 4,800 Common Shares owned by a family member of Mr. McRae, but which are controlled by him.
- (5) Ms. Downey attended 100% of the Board meetings held in 2017 after her appointment on September 1, 2017 (2 of 2 meetings). No Reserves meetings were held in 2017 following her appointment.

Experience and Background of Directors Nominees

The Compensation and Governance Committee has responsibility for ensuring the Board is made up of individuals who have the relevant experience and expertise needed to effectively fulfill the Board's mandates. The skills matrix shown below shows the experience and expertise that each director nominee contributes to Athabasca's Board.

Experience Director	Begley	Broen	Eckhardt	McRae	Fierro	Downey	Count
Accounting & Finance	•	•	•	•	•	•	6
Engineering/Reserves	•	•	•			•	4
Governance	•	•	•	•	•	•	6
Government/Regulatory/Legal		•	•		•	•	4
Health, Safety & Environment		•	•			•	3
Management/ Leadership	•	•	•	•	•	•	6
Oil & Gas Upstream	•	•	•		•	•	5
Midstream/Trading			•	•	•		3
Oil Sands	•	•				•	3
Capital Markets	•	•		•	•		4
M&A	•	•	•	•	•	•	6
Risk Management		•	•	•	•	•	5
Count	8	11	10	7	9	10	

Director Orientation and Continuing Education

The Board is responsible for providing each new director with a comprehensive orientation to Athabasca and its business. Each new director is provided a Director Orientation Manual that contains materials to familiarize the new director with the role of the Board and its committees and the Board's governance mandates. The materials include:

- information about Athabasca's organizational structure;
- Athabasca's Individual Director mandate, Board mandate and the mandates of each of the Board committees; and
- policies and guidelines, including Athabasca's Code of Business Ethics and Conduct, Whistleblower Policy, Trading and Blackout Policy, and Equity Ownership and Retention Guidelines for Independent Directors and Executive Officers.

New directors also attend an orientation session with executive management to receive management presentations about Athabasca, its business strategies, operations and financial performance.

Each month, the Board is provided a written report which summarizes, among other things, Athabasca's monthly operational and financial results; liquidity; health, safety and environmental performance and share performance. At each quarterly Board meeting, executive management informs the Board of any risks and any market, industry or regulatory changes affecting Athabasca's business.

The Board also holds strategy sessions with Athabasca's executive management team to discuss, review and consider the Corporation's business strategy for the current year and for the next five years. The Board considered the Corporation's current and long-term strategies at each of its quarterly meetings held in 2017. The second quarter meeting was held at a field location to provide the directors with the opportunity to visit Athabasca's areas of operation.

Directors also participate in continuing education programs and industry and governance related seminars to maintain or enhance their knowledge and understanding of issues affecting Athabasca's business.

Director Compensation

General

The Board, through the Compensation and Governance Committee, has implemented a director compensation program

that is intended to compensate non-management directors for their services on the Board and its committees. We do not pay

any compensation to officers for acting as a director. For information concerning the compensation paid to Mr. Broen who is also our President and Chief Executive Officer, see “CEO Compensation” and “Compensation of Named Executive Officers”.

In setting the directors’ annual compensation, the Board considers what is competitive with other comparable public companies and the current market environment. We wish to attract and retain the services of qualified individuals and compensate them in a manner that is commensurate with the risks and responsibilities that are assumed through board and committee memberships. The Board has not approved an increase to the directors’ annual cash retainer since March 14, 2014.

The directors’ annual compensation is made up of two parts: (1) a cash retainer; and (2) a grant of Director’s DSUs, which are not redeemable until after the director has ceased to be a member of the Board. See Appendix D – “Deferred Share Unit Plan” for a description of the deferred share unit plan (“DSU Plan”). Effective March 2015, the Corporation ceased granting Options and restricted share units (“RSUs”) to non-management directors.

Cash Retainer

For the year ended December 31, 2017, non-management directors were paid an annual retainer of \$50,000. Additionally, non-management directors were also paid for serving in the following roles:

Board Role	Retainer Amount
Board Chair	\$50,000
Audit Committee Chair	\$15,000
Compensation and Governance Committee Chair	\$ 7,500
Reserve Committee Chair	\$ 7,500
Lead Director (when applicable)	\$25,000

Summary Compensation Table

The following table sets out information concerning the compensation paid by the Corporation to its directors during the year ended December 31, 2017 (other than Mr. Broen who is included in the table that is provided below under the heading “Compensation Discussion & Analysis – Compensation of Named Executive Officers”).

Name	Year	Fees earned (\$)	Share-based awards ⁽¹⁾ (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$) ⁽²⁾
Bryan Begley ⁽³⁾	2017	57,500	150,000	—	—	N/A	—	207,500
Anne Downey ⁽⁴⁾	2017	17,605	100,000	—	—	N/A	218,437	336,042
Ronald Eckhardt ⁽⁵⁾	2017	100,000	171,150	—	—	N/A	—	271,150
Carlos Fierro ⁽⁶⁾	2017	50,000	150,000	—	—	N/A	—	200,000
Marshall McRae	2017	65,000	150,000	—	—	N/A	—	215,000
Robert Rooney ⁽⁷⁾	2017	18,208	150,000	—	—	N/A	—	168,208
Henry Sykes ⁽⁸⁾	2017	32,104	83,324	—	—	N/A	—	115,428

The Corporation does not pay its directors any fees for attendance at Board or committee meetings but reimburses directors for all reasonable expenses incurred in order to attend Board or committee meetings.

Directors may elect to receive all or any portion of their cash retainers in the form of DSUs.

DSUs

Non-management directors are also eligible to participate in the DSU Plan if awards under such plan are recommended by the Compensation and Governance Committee and approved by the Board. The value of the DSUs awarded to the non-management directors appointed at the Corporation’s April 25, 2017 shareholder meeting was \$150,000.

Other Compensation

From time to time, the Board, in its discretion, may also compensate directors with fees for services in their capacity as directors or Board committee members on Board projects or special committees of the Board. On May 3, 2017, the Board formed, and appointed Mr. Eckhardt to, a special committee to provide oversight, advice and guidance to the Corporation with respect to considering and reviewing potential value creation opportunities, among other things. Mr. Eckhardt received 15,000 DSUs having a value at the time of grant of \$21,150 for his participation on the special committee.

Notes:

- (1) The compensation reported under share-based awards is the value of DSUs granted in the year ended December 31, 2017. The fair value of DSUs is based on the number of DSUs granted multiplied by the volume weighted average price per Common Share on the TSX for the 20 trading days immediately preceding the date of grant.
- (2) Except as otherwise noted in the table, neither the Corporation nor any of its subsidiaries paid, awarded, granted, gave, or otherwise provided, directly or indirectly, additional compensation to the directors in any capacity under any other arrangement in 2017 (including any plan or non-plan compensation, direct or indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite to be paid, payable, awarded, granted, given, or otherwise provided to the directors for services provided, directly or indirectly, to the Corporation or a subsidiary thereof).
- (3) Mr. Begley elected to receive 100% of fees earned in the form of DSUs. As a result, Mr. Begley received 50,491 DSUs in lieu of such fees.
- (4) Ms. Downey joined the Board effective September 1, 2017. Other Compensation represents fees paid to Ms. Downey for services as a consultant provided while under contract with the Corporation. See *“Corporate Governance – Board of Directors – Membership and Independence”*.
- (5) Mr. Eckhardt elected to receive 100% of fees earned in the form of DSUs. As a result, Mr. Eckhardt received 87,809 DSUs in lieu of such fees. In addition to his \$150,000 annual DSU grant, an additional \$21,150 in DSUs was granted for his participation on a 2017 special committee.
- (6) Mr. Fierro elected to receive 100% of fees earned in the form of DSUs. As a result, Mr. Fierro received 43,905 DSUs in lieu of such fees.
- (7) Mr. Rooney retired as Director effective April 25, 2017.
- (8) Mr. Sykes was elected as Director on April 25, 2017. He resigned effective November 17, 2017.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information regarding all DSUs, and 2010 RSUs (if any) held by each director as at December 31, 2017 (other than Mr. Broen who is included in the table that is provided below under the heading *“Compensation Discussion & Analysis – Outstanding Share-Based Awards and Option-Based Awards – NEOs”*).

Name	Option-Based Awards ⁽¹⁾				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽³⁾⁽⁴⁾
Bryan Begley	—	—	—	—	—	—	274,457
Anne Downey	—	—	—	—	—	—	112,631
Ronald Eckhardt	18,750	0.10	Sept 10, 2019	18,188	—	—	447,500
Carlos Fierro	5,146	0.10	March 15, 2019	4,992	—	—	377,727
Marshall McRae	37,500	0.10	Sept 10, 2019	36,375	—	—	288,371

Notes:

- (1) Grants of 2010 RSUs are disclosed as option-based awards as the 2010 RSU Plan requires payment of an exercise price of \$0.10 per share upon the issuance of Common Shares pursuant to 2010 RSUs. None of the directors has any Options under the Corporation's Option Plan.
- (2) The value of the unexercised 2010 RSUs has been determined by subtracting the exercise price of the 2010 RSUs from \$1.07 being the closing price of the Common Shares on the TSX on December 29, 2017 and multiplying the difference by the number of Common Shares that may be acquired upon the exercise of the 2010 RSUs.
- (3) All DSUs vest immediately upon the grant of such DSUs, but cannot be redeemed until after the director ceases to be a director of the Corporation.
- (4) The market or payout value of vested share-based awards not paid out or distributed has been calculated based on the number of DSUs held at December 31, 2017 multiplied by \$1.07, being the closing price of the Common Shares on the TSX on December 29, 2017.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested during the year ended December 31, 2017 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2017 for each director (other than Mr. Broen who is included in the table that is provided below under the heading *“Compensation Discussion & Analysis – Incentive Plan Awards – Value Vested or Earned During the Year – NEOs”*).

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$) ⁽²⁾⁽³⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Bryan Begley	—	207,500	—
Anne Downey	—	100,000	—
Ronald Eckhardt	—	271,150	—
Carlos Fierro	8,853	200,000	—
Marshall McRae	—	150,000	—
Robert Rooney	—	—	—
Henry Sykes	—	83,324	—

Notes:

- (1) The value vested during the year for option-based awards (2010 RSUs) has been calculated by determining the difference between the trading price of the Common Shares and the exercise price of the vested 2010 RSUs on the applicable vesting dates (or the next trading day if the 2010 RSUs vested on a date when the TSX was closed).
- (2) All DSUs vest immediately upon the grant of such DSUs, but cannot be redeemed until after the director ceases to be a director of the Corporation.
- (3) Represents the value of DSUs granted in the year ended December 31, 2017. The fair value of DSUs is based on the number of DSUs granted multiplied by the volume weighted average price per Common Share on the TSX for the 20 trading days immediately preceding the date of grant.

Additional Disclosure Relating to Directors

None of our directors of the Corporation: (a) is, or has been within the past 10 years, a director, chief executive officer or chief financial officer of any company, including the Corporation, that while such person was acting in that capacity, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that in each case was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”), or after such person ceased to be a director, chief executive officer or chief financial officer of the relevant company, was the subject of an Order which resulted from an event that occurred while acting in such capacity; (b) is, or has been within the past 10 years, a director or executive officer of any company, including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a

proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; (c) has, within the past 10 years, 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 his 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 with a securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Corporate Governance

Board of Directors

Mandate

The Board has overall responsibility for overseeing the management of the business and affairs of Athabasca. The Board has adopted a written mandate that summarizes, among other things, the Board's duties and responsibilities. A copy of the mandate is attached as Appendix E to the Circular.

Board Renewal and Tenure

The Board is committed to supporting the Corporation through the selection of qualified directors who have appropriate skills to meet the evolving needs of the Corporation and who can provide strong stewardship for the Corporation. Through its Compensation and Governance Committee, which is comprised entirely of independent directors, the Board regularly reviews and assesses the size, independence, operation, competencies and skills of the Board and the individual directors.

Following a specifically targeted board renewal process that started in 2014, the six Board nominees reflect a range of complementary but different experiences and skills to support the Corporation. The length of director tenure of the Board nominees ranges from less than one year to more than eight years, including appointments in 2009, 2012, and each year starting in 2015, which the Compensation and Governance Committee believes is an appropriate mix of longer-term directors who have accumulated extensive knowledge and understanding of the Corporation, and newer directors who are bringing additional experience and fresh perspectives to the Board.

Athabasca does not currently have a policy regarding term limits for directors. The Compensation and Governance Committee believes Athabasca is meeting its objective of achieving the optimum balance of skills and experience at the Board level without the need to impose such limits.

The Compensation and Governance Committee has endorsed an annual review process that includes a written evaluation. The written evaluation process is seen as an opportunity to review past-performance, recognize successes and identify areas for improvement for the Board, its committees and individual directors. In the written evaluation, directors evaluate overall Board performance through a series of questions concerning the role of the Board, Board structure and the Board's relationship with management as well as provide a self-assessment.

Membership and Independence

Our Board of Directors currently has six members and our Board Chair and a majority of our directors are independent for the purposes of National Instrument 58-101 – *Disclosure of*

Corporate Governance Practices ("NI 58-101"). The Board has determined that Messrs. Begley, Eckhardt, Fierro and McRae are independent and that Mr. Sykes was also independent during his tenure on the Board. Ms. Downey is not independent because she was retained by the Corporation to perform consulting services following the Corporation's acquisition of the Statoil Canada Ltd. ("Statoil") Leismer and Corner thermal oil assets in 2017. Ms. Downey has extensive thermal oil experience and direct experience with the Statoil assets and has assisted the Corporation with this critical integration. Her consulting fees are set out in "Director Compensation – Summary Compensation Table". Mr. Broen is not independent because he is the President and CEO of the Corporation.

Meetings of the Independent Directors

The Board held seven meetings between January 1, 2017 and December 31, 2017 and the independent directors conducted in-camera sessions without members of management present, at a majority of these meetings, including at each of the Board's quarterly meetings. Additionally, in-camera sessions were held during each of the four meetings of the Audit Committee that were held between January 1, 2017 and December 31, 2017.

Board and Executive Diversity

Athabasca recognizes the benefits of diversity and inclusion at all levels within its organization and, as such, the Board adopted a formal Board Diversity Policy in 2018 that includes provisions relating to the identification and nomination of women directors ("Board Diversity Policy"). The Board Diversity Policy does not contain any gender targets but specifically requires the Board to consider candidates based on merit and to have regard to the benefits of diversity and the needs of the Board including the existing level of representation of women on the Board.

The Board Diversity Policy requires that any search firm engaged to assist the Board in identifying candidates will be specifically directed to include diverse candidates generally, and multiple women candidates in particular. Women candidates for director must be included on the organization's evergreen list of potential nominees. The Board also has the opportunity to evaluate the effectiveness of the director selection and nomination process, including compliance with the Board Diversity Policy, through its annual review process. As part of such process, the Board will consider the candidates identified or brought forward for board positions during the year and the skills, knowledge and experience of such candidates to ensure that any female candidates were fairly considered relative to other candidates. As the Board Diversity Policy was adopted in 2018, the first annual review will occur in 2019.

In 2017, Athabasca appointed its first female Board member, which represents 17% of its board membership.

When appointing individuals to executive officer positions, Athabasca weighs a number of factors, including the skills and experience necessary for the position and the personal attributes of the candidates. The level of representation of women in executive officer positions is also considered one such factor. Instead of adopting a target, the organization believes that building a culture of inclusion throughout the organization removes barriers to women's advancement. Athabasca's executive management team is currently comprised of three women, which represents 43% of the total executive officers, holding the positions of Chief Financial Officer; General Counsel and Vice President, Business Development; and Vice President, Thermal Oil.

Majority Voting Policy

In 2015, the Board adopted a majority voting policy ("**Majority Voting Policy**") which stipulates that if a director nominee receives more "withhold" votes than "for" votes at an uncontested shareholders' meeting, then such nominee must immediately tender his or her resignation for consideration by the Compensation and Governance Committee. The Compensation and Governance Committee will consider the director nominee's offer to resign and will make a recommendation to the Board to accept the resignation unless exceptional circumstances exist that would warrant the applicable director continuing to serve on the Board. Within 90 days of the date of the relevant shareholders' meeting, upon considering the Compensation and Governance Committee's recommendation, the Board will accept the director's offer to resign unless exceptional circumstances exist that warrant the director remaining on the Board. The resignation will be effective when accepted by the Board. A news release will be issued promptly to announce the decision that is reached by the Board and if the Board chooses not to accept a director's offer to resign, the news release will describe the reasons for that decision. No director that is required to tender his or her resignation pursuant to the Majority Voting Policy shall participate in the deliberations or recommendations of the Compensation and Governance Committee or the Board with respect to the director's offer to resign. The Board may fill any vacancy resulting from a resignation pursuant to the Majority Voting Policy in accordance with the Corporation's by-laws and articles and applicable corporate laws.

Position Descriptions

The Board has developed and implemented written position descriptions for the Chair of the Board, the chairs of each committee of the Board and the CEO.

Responsibility of the Chair

The Chair of the Board provides effective leadership to the Board in the governance of the Corporation. The Chair sets the "tone" for the Board and its members to foster ethical and responsible decision making and responsible practices in corporate governance. The Chair also provides leadership on governance, corporate social responsibility, board/management relationships and organizing and conducting meetings of the Board and shareholder meetings.

Voting Recommendations

The Board closely reviews the voting results at each of its shareholder meetings and notes that the Corporation has experienced instances where 20% or more of its shareholders have withheld votes from its director nominees, compensation plans and even the number of directors to be elected at the annual meeting.

The Board believes that the voting results are, in part, reflective of Athabasca's significant strategic shift. Athabasca started as an exploration focused enterprise that was speculative and land rich but production poor. The Corporation has transformed itself into a self-funded and financially robust producing enterprise. The Board believes that shareholders would be naturally more aligned to only one of these strategies and that during the transition phase it would be reasonable to assume some conflict. The Board and management believe the current strategy is supported by the majority of our shareholders and believe that we are on the right path. The Board also believes the Corporation's shareholder base is continuing to evolve, which will result in better alignment.

In the meantime, the Board and the Corporation continue to respond to voting results through active shareholder engagement and by advancing the Corporation's strategy and managing the sustainability of its compensation programs.

Ethical Business Conduct

In order to encourage and promote a culture of ethical business conduct, the Board has adopted a written Code of Business Ethics and Conduct (the "**Code**") applicable to all directors, officers and employees of Athabasca. The Code is available on SEDAR at www.sedar.com. The Board has also adopted a Whistleblower Policy that provides directors, officers and employees of Athabasca and others with a mechanism for raising complaints or concerns regarding questionable accounting practices, inadequate internal accounting controls, the misleading or coercion of auditors, disclosure of fraudulent or misleading financial information, violations of the Code, violations of Athabasca's Trading and Blackout Policy and instances of corporate fraud. Reports made under the Whistleblower Policy may be made in a confidential and, if deemed necessary, anonymous manner. The Board monitors compliance with the Code through the Whistleblower Policy.

In accordance with the *Business Corporations Act* (Alberta), directors who are a party to, or are a director or an officer of a person who is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction, are required to disclose the nature and extent of

their interest and not vote on any resolution to approve the contract or transaction. In certain cases an independent committee may be formed to deliberate on such matters in the absence of the interested party.

Board Committees

To assist it in fulfilling its mandate, the Board has formed the following three standing committees:

Compensation and Governance Committee

The responsibilities of the Compensation and Governance Committee include:

- Assisting the Board in fulfilling its oversight responsibilities of the key compensation and human resources policies of Athabasca.
- Orienting new directors as to the nature and operation of the business and affairs of Athabasca and the role of the Board and its committees.
- Making available continuing education opportunities designed to maintain or enhance the skills and abilities of Athabasca's directors and to ensure that their knowledge and understanding of Athabasca's business remains current.
- Identifying, assessing and recommending to the Board new director candidates for appointment or nomination. See "*Corporate Governance – Board of Directors – Board Renewal and Tenure*" above.
- Establishing and implementing procedures to evaluate the performance and effectiveness of the Board, Board committees, individual directors, the Board Chair, the Lead Director (if a Lead Director has been appointed) and committee chairs. The procedures include utilizing an annual directors' evaluation questionnaire, which addresses, among other things, individual director and overall board skills, and board effectiveness.
- Reviewing and making recommendations to the Board regarding the CEO's short-term and long-term corporate goals and objectives and performance measurement indicators.
- Making recommendations regarding the results of the annual evaluation to the Board.

A copy of the Compensation and Governance Committee's Mandate is available on the Corporation's website at www.atha.com.

Reserves Committee

The Reserves Committee assists the Board in fulfilling its oversight responsibilities with respect to the evaluation and

reporting of Athabasca's oil and gas reserves and resources and related matters including:

- Reviewing, at least annually, the Corporation's procedures relating to its disclosures under National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* and making recommendations to the Board regarding such procedures.
- Making recommendations to the Board regarding the engagement of independent, qualified reserves evaluators or auditors to report to the Board on Athabasca's reserve data.
- Making recommendations to the Board regarding the reserves and resource data of Athabasca that will be made publicly available and filed with applicable regulatory authorities.

A copy of the Reserves Committee's Mandate is available on the Corporation's website at www.atha.com.

Audit Committee

The Audit Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to:

- The integrity of Athabasca's annual and quarterly financial statements.
- Athabasca's compliance with accounting and finance-based legal and regulatory requirements.
- The external auditor's qualifications, independence and compensation, and communicating with the external auditor.
- The system of internal accounting and financial reporting controls that management has established.
- The performance of the external audit process and of the external auditor.
- Financial policies and financial risk management practices; and transactions or circumstances which could materially affect the financial profile of Athabasca.

In accordance with the Audit Committee mandate, the Audit Committee holds in-camera sessions without management present at each regularly scheduled Audit Committee meeting. A copy of the Audit Committee's Mandate is available on the Corporation's website at www.atha.com.

Compensation Discussion & Analysis

Athabasca's Named Executive Officers ("NEOs") are those individuals who served as Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the three other most highly compensated executive officers during the year ended December 31, 2017:

Named Executive Officers
Robert Broen, President and CEO
Kimberly Anderson, CFO
Kevin Smith, Vice President Light Oil
Matthew Taylor, Vice President Capital Markets & Communications
David Stewart, Vice President Operations

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Introduction

The Compensation and Governance Committee is committed to providing a clear and comprehensive discussion of our approach to executive compensation, including our overarching philosophy and objectives of aligning executive compensation with Athabasca's performance. The Corporation's compensation philosophy will remain an important focus for the Board as we continue to be of the view that Athabasca's delivery of profitable growth can only be achieved if we attract, retain and motivate talented executives.

Over the previous several years, Athabasca has undertaken a substantial review of all of its compensation programs in order to align them with competitive market practice, as well as to ensure its incentive programs evolve as the Corporation matured into an intermediate oil and gas producer. Changes have included:

- Implementing a structured corporate scorecard for determining annual short term incentive compensation.
- Implementing a Performance Award equity plan for executive management, linking long-term success of the Corporation with executive compensation.

- Implementing a director DSU program in conjunction with the elimination of director RSU and Option grants.
- Eliminating large initial grants of long-term equity incentive awards to new employees, and adopting a practice that is more aligned with industry practices.
- Limiting the award of Option grants to executive officers of the Corporation.

The Compensation and Governance Committee will continue to ensure our incentive programs meet the needs of the Corporation's progressing business while being mindful of the sustainability of the programs and the impacts of equity grants on the Corporation's shareholders.

Athabasca's Approach to Compensation

Philosophy and Objectives

Our compensation program is designed to link executive pay to corporate performance, thereby aligning executive interests closely with those of the Corporation's shareholders. With significant proportions of "at risk" pay, Athabasca's compensation framework is competitive among Canadian oil and gas companies, with significant upside for out-performance and downside for under-performance.

Our compensation program has been designed to achieve these key objectives:

- Link compensation to Athabasca's performance.
- Align employees' interests with the interests of Athabasca's shareholders.
- Continue to attract and retain superior performing employees.

Compensation Governance

Oversight for Athabasca's executive compensation program is provided by the Board's Compensation and Governance Committee. Among other responsibilities, the Compensation and Governance Committee's mandate includes: (a) establishing key compensation and human resources policies; (b) annually establishing short-term and long-term corporate goals and objectives for the CEO and evaluating the CEO's performance in the context of those goals; (c) setting the CEO's compensation; and (d) establishing the compensation of Athabasca's executive management, including that of the NEOs.

Following the 2017 AGM, the Compensation and Governance Committee was comprised of three members: Henry Sykes, Carlos Fierro and Bryan Begley, all of whom are independent. In November 2017, Mr. Sykes, who was the chair of the Compensation and Governance Committee resigned from the Board of Directors as a result of conflicting responsibilities and Mr. Begley became chair and Mr. Eckhardt joined the Committee. Each current member's previous executive management experience and current board roles are described under "Director Nominees – Director Nominee Profiles" above.

Member	Independent	Skills and Experience Relevant to the Compensation and Governance Committee
Bryan Begley	Yes	Mr. Begley has over 11 years of management and executive experience as a managing director of several investment firms. In these roles, Mr. Begley has been directly involved in determining and managing compensation programs.
Ron Eckhardt	Yes	Mr. Eckhardt has over 39 years of experience in the oil and gas industry. During Mr. Eckhardt's tenure as Executive Vice President of Talisman's North American Operations, comprised of over 1500 employees, he was actively involved in developing and reviewing policies and guidelines for total rewards compensation programs, performance improvement programs, leadership programs and succession planning.
Carlos Fierro	Yes	Mr. Fierro has over 18 years of experience in the investment banking business (with a primary focus on the energy sector). As a managing director and the global head of the natural resources group at both Lehman Brothers and Barclays PLC, he dealt with compensation matters related to members of his global banking team.

External Consultants and Advisors

To ensure that Athabasca's overall executive compensation is reasonable and competitive with other participants in the Canadian oil and gas industry, Athabasca and the Compensation and Governance Committee engage external advisors to provide

advice and information regarding the development of compensation policies, to benchmark Athabasca's pay and performance against a group of peer companies and to conduct comparative pay analyses.

In 2016, the Compensation and Governance Committee engaged the firm Lane Caputo Compensation Inc. (“**Lane Caputo**”) to provide the Board with advice regarding appropriate and customary granting cycles for equity-based compensation for directors. In 2016 and 2017, the Compensation and Governance Committee also retained Hugessen Consulting Inc. (“**Hugessen**”) to assist the Corporation with compensation matters including the drafting of the Corporation’s Information Circular.

Athabasca also participates in: (a) Mercer Canada’s annual energy industry compensation survey (“**Mercer Survey**”), which entitles the Corporation to access and use Mercer’s compensation data to benchmark the Corporation’s compensation against other market participants; and (b) the “Calgary Exchange Group”, which is a group of Calgary-based energy companies that share information about compensation trends.

Pay Comparator Group

Each year, the Compensation and Governance Committee selects a comparator group of companies for the purpose of executive compensation benchmarking. In determining the appropriate peers, the Compensation and Governance Committee sets a range of size and operational criteria to identify comparably sized oil and gas companies that generally operate in similar geographic locations as the Corporation. Athabasca’s 2017 peer group included the following:

Baytex Energy Corp.	Birchcliff Energy Ltd	BlackPearl Resources Inc.
Bonterra Energy Corp.	Cardinal Energy Ltd.	Cona Resources Ltd.
Crew Energy Inc.	Delphi Energy Corp.	Kelt Exploration Ltd.
MEG Energy Corp.	NuVista Energy Ltd.	Obsidian Energy Ltd.
Paramount Resources Ltd.	Pengrowth Energy Corporation	Spartan Energy Corp.
Surge Energy Inc.	Tamarack Valley Energy Ltd.	TORC Oil & Gas Ltd.
Trilogy Energy Corp.	Whitecap Resources Inc.	

The Compensation and Governance Committee reviews the comparator group annually to ensure the on-going relevance of the constituents, using external consultants as necessary. The Compensation and Governance Committee also makes

Executive Compensation-Related Fees:

Consultant	Fees Paid	
	2016	2017
Lane Caputo	\$18,195	—
Hugessen	\$28,138	\$29,411
Mercer Survey	\$12,768	\$10,983

Athabasca reviews the results of the Mercer Survey, which provides comparative data for most positions at Athabasca, including salary, incentive and perquisite benchmarking information.

adjustments to the group as circumstances require and, thus, removed Trilogy Energy and Paramount Resources following their business combination in 2017.

Elements of Executive Compensation: Linking the Elements to the Compensation Objectives

In fulfilling its mandate, the Compensation and Governance Committee seeks to link Athabasca’s executive compensation programs to its compensation objectives described above in “*Compensation Discussion & Analysis – Athabasca’s Approach to Compensation*”.

Total compensation for Athabasca's executive officers (including its NEOs) is comprised of fixed and variable (or "at risk") compensation and includes:

Element	Risk	Description	Objective
Base salary	No risk	Fixed cash compensation for the services provided by the executive officer	Provide competitive level of fixed compensation
Annual short-term incentives	Variable and at risk	Cash bonus, 75% (100% for the CEO) of which is based on the Corporation's performance against defined corporate metrics with the balance based on the achievement of pre-determined individual performance objectives	Reward individual contribution and achievement towards annual corporate objectives
Long-term incentives	Variable and at risk	Annual grants, which are usually comprised of a mix of Performance Awards, Options and New RSUs with different vesting horizons	Align executives' interests with shareholders and provides retention
Other	No risk	NEOs have the opportunity to participate in other programs and benefits that are generally available to all Athabasca employees, including an Employee Registered Retirement Savings Plan and an Employee Profit Sharing Plan (each described below)	Provide a comprehensive and attractive executive compensation program

Base Salary

Base salaries provide employees and executive officers with a competitive level of fixed cash compensation that is targeted at between the median and P75 of the compensation comparator

group. The base salary of each executive officer compensates them for performing day-to-day responsibilities and reflects the complexity of their role and their industry experience.

Annual Short-Term Incentive Compensation

All of the Corporation's employees including its executive officers are eligible to receive annual cash bonus awards under the Corporation's short-term incentive ("STI") compensation program. Athabasca's STI program has been designed to provide competitive annual bonuses that are based on both corporate and individual performance. Performance measures are used to incent employees to meet or exceed individual and business-related objectives that are aligned with the execution of the Corporation's long-term strategy.

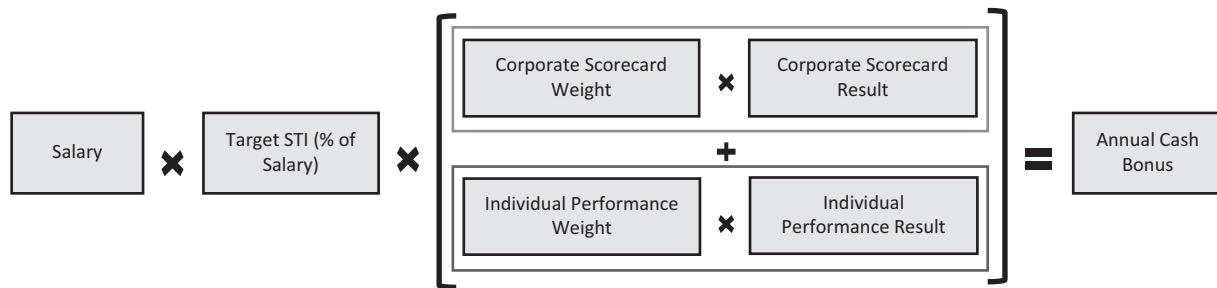
Target STI awards are set for each executive position as a percentage of base salary and in reference to the median to P75 of the comparator group for positions of similar responsibilities. In 2017, the target STI award for each NEO was 50% of their respective base annual salaries, with the exception of the

President and CEO, whose target STI was 100%. Each NEO (other than the CEO) may achieve an annual cash bonus payout of between 0% and 150% of their target STI. The CEO may achieve an annual cash bonus payout of between 0% and 200% of his target STI.

For 2017, the annual cash bonuses paid were calculated on a mix of corporate and individual objectives, with weightings as follows:

Executive	Corporate Scorecard	Individual Performance
CEO	100%	0%
Other NEOs	75%	25%

and were determined using the following formula:



Athabasca's 2017 Corporate Scorecard Performance

Each year, Athabasca develops a corporate scorecard containing metrics by which it evaluates and measures its performance in key aspects of the Corporation's business (the "Corporate Scorecard").

In 2017, Athabasca met or exceeded a majority of its 2017 Corporate Scorecard metrics; however, under-performance on a few of the scorecard metrics negatively impacted the Corporation's overall result. Athabasca's 2017 Corporate Scorecard metrics, the weightings allocated to each of those metrics, and Athabasca's performance against the metrics are outlined in the table below.

Performance Driver	Key Performance Indicator	Target	Achieved	Rating	Weight	Contribution
Health and Safety	TRIF	1.0	0.24	150%	15%	23%
	ERP Drills	12	12			
	Contractor verification audits	16	17			
Average Production	Light Oil	7,447 boe/d	7,771 boe/d	115%	25%	14%
	Thermal Oil	30,170 boe/d	27,886 boe/d	50%		
	Corporate	37,617 boe/d	35,657 boe/d			
Costs	Light Oil OpEx	\$23.5 MM	\$24.5 MM	56%	10%	2%
	Thermal Oil OpEx	\$167.0 MM	\$150.6 MM	149%		
	Cash G&A Expense	\$53.9 MM	\$49.4 MM	150%		
Capital Investment	Light Oil	\$149.2 MM	\$147.7 MM	105%	15%	8%
	Hangingstone	\$58.8 MM	\$50.1 MM	150%		
	Corporate	\$2.4 MM	\$2.2 MM			
Capital Efficiency & Reserves Growth – Light Oil	2P Finding & Development	\$25.17/boe			10%	7%
	Finding & Development Through the Drillbit	\$17.18/boe	\$15.29/boe	137%		
	Production Efficiency (incl Carry)	\$25,212/boe/d	\$21,790/boe/d	150%		
	Reserves Replacement Ratio	2.5x				
Corporate & Strategic Development	See below		Subjective Assessment	125%	25%	31%
					Total	120%⁽¹⁾

Note:

(1) Numbers do not add exactly due to rounding and are normalized for non-controllable items such as commodity pricing impacts.

The Board approved a rating of 125% for Athabasca's Corporate & Strategic Development metrics as the Corporation successfully delivered its planned corporate and strategic goals for 2017, which included business development, financial, human resourcing and other goals.

Individual NEO Performance

Early in 2017, each executive officer developed key strategic personal deliverables in support of Athabasca's 2017 corporate

objectives. In early 2018, the CEO met with each of the Corporation's executive officers as part of an annual review process to discuss and evaluate their individual 2017 performance and achievements. Following this review, the quantum of recommended cash bonus awards is reviewed by the Compensation and Governance Committee and advanced to the Board for approval.

Long-Term Incentive Compensation

Athabasca believes that equity-based long-term incentive (“LTI”) awards allow the Corporation to reward its executive officers for their sustained contributions to the Corporation. Equity-based awards also promote executive continuity and retention and align executives’ interests with those of the Corporation’s shareholders by providing “at risk” compensation, the value of which is dependent on corporate performance linked to share performance. With these goals in mind, the Board also carefully

considers the overall sustainability of its compensation programs and the dilutive effects of granting LTI.

Athabasca’s equity-based long-term incentive compensation includes Options, RSUs and Performance Awards, as generally described below and in more detail in Appendix D – “*Description of Long-Term Equity Incentive Plans*”.

When considering a grant of equity-based awards to an executive officer, the Board takes into consideration the total number of equity-based awards that have been previously granted to that executive officer and industry peer and market practices. The Corporation generally targets granting executive officers (including NEOs) the following mix of equity as long-term incentive compensation:

Key Features	Performance Awards	RSUs	Options
2017 LTI Mix	45%	25%	30%
Vesting Period	3-Year Cliff	3-Year Ratable	3-Year Ratable
Term	3 Years	3 Years	7 Years
Award Size	Target grant sizes set as a % of base salary. Final grant size subject to Board discretion.		
2017 Performance Measures	Relative Total Shareholder Return (50%) + Corporate Scorecard (50%)	None	None
Performance Framework	Payout 0% – 200% of Grant	None	None
Settlement	Common Shares or Cash, as determined by the Board	Common Shares or Cash, as determined by the Board	Common Shares

2017 Executive LTI Targets

LTI award targets are set for each executive officer based upon market competitive levels for roles of similar scope of responsibility. Actual awards in each year may vary from target based on the Board’s assessment of individual performance and the prevailing market conditions for that year. Generally, though, the LTI target for each NEO is 200% of their respective base annual salaries, with the exception of the President and CEO, whose LTI target is 300%.

In previous years, the Board has exercised its discretion to grant LTI awards significantly below target to reflect economic conditions faced by all upstream oil and gas companies and also to limit the level of dilution experienced by our shareholders given the significant decline in value for each unit of LTI. For instance, in 2015, NEOs received grants of LTI having values of only 50% of their respective targets, and in 2016, NEOs received grants at only 43% of their targets.

2016 and 2017 were both transformative years for the Corporation. The Corporation undertook several successful transactions, substantially increased its production and cash flow, reduced leverage and improved its funding outlook. As a result, the Board granted LTI awards to the NEOs at their respective targets for 2017 and provided certain NEOs a one-time special Options grant in 2017, which is described below.

Option Plan

The Board believes Option awards are an integral part of the Corporation’s overall compensation program as they align the interests of senior employees with the interests of shareholders, thereby creating a link between executive compensation, the long-term corporate performance of Athabasca and the creation of shareholder value.

As a general matter, the Board also believes the Corporation’s existing incentive programs provide adequate incentives to executives. However, based on transformative activities in 2017, the Board elected to make a special additional one-time grant of Options to its NEOs. In 2017, Management successfully delivered for Athabasca shareholders:

- Completion of the acquisition of Statoil’s top-tier Leismer and Corner thermal oil assets in northeastern Alberta. The acquisition provided a large cash flow base and accelerated the Corporation’s transition to sustainable free cash flow generation.
- Completion of a comprehensive balance sheet refinancing transaction that included the issuance of US\$450 million of five-year second lien notes to replace the Corporation’s existing \$550 million of second lien notes and the establishment of a \$120 million reserve based credit facility. This comprehensive refinancing provides Athabasca multiyear financing certainty and a strong liquidity outlook that will allow the Corporation to continue to advance its strategic objectives and maintain business flexibility.

- Monetized a portion of Athabasca’s long-dated thermal oil resources by granting an additional contingent bitumen royalty to Burgess Energy Holdings L.L.C. on the Corporation’s thermal oil assets, generating \$90 million of cash proceeds.
- Implemented a hedging program to protect near term cash flow.

The Board believed that further securing the continuity of the NEOs who undertook the transactions would best position the Corporation to realize all of the possible benefits of its recent transformative activities. Specifically, the one-time grant was intended to create additional retention value for the NEOs who had the most familiarity with the acquisition opportunities, which included the transaction with Statoil that more than doubled the Corporation’s production year-over-year. The Board believed these NEOs would be best positioned to maximize value over the life of the opportunities and, thereby, increase shareholder value.

At the same time, the Board recognizes the dilutive effects of Options and has elected not to grant any Options in 2018. Going forward, the Board believes that the Option Plan remains an important part of the Corporation’s compensation program and the Board intends to continue to exercise its discretion to responsibly make grants.

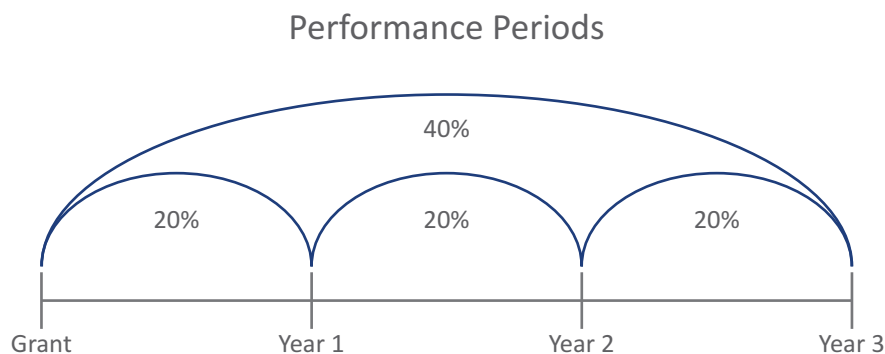
RSU Plan

Executives and employees participate in the Corporation’s RSU plans, which have included the 2010 RSU Plan and the New RSU Plan. The New RSU Plan allows the Board to grant RSUs, each of which is a unit that is equivalent in value to a Common Share and that upon vesting, results in the holder thereof typically being issued a Common Share. The Board believes that RSUs align the interests of all employees including the executive officers with the interests of shareholders, thereby creating a link between executive compensation, the long-term corporate performance of Athabasca and the creation of shareholder value.

Performance Plan

The Performance Plan allows the Board to grant Performance Awards to eligible officers and other senior employees and is intended to further align the interests of participants with Athabasca’s shareholders. The performance measures applied to awards serve to focus employees on both operating and financial performance and relative long-term shareholder value.

The number of granted Performance Awards that may vest is based 50% on the total shareholder return (“TSR”) for a particular performance period, compared to a pay comparator group, and 50% based on “Corporate Scorecard” performance over that same period (see “*Annual Short-term Incentive Compensation – Athabasca’s 2017 Corporate Scorecard Performance*” above), with the weighting for each performance period as shown below.



Under the Performance Plan, a sliding scale payout multiplier of between 0% (below P25) and 200% (P75 and above) is applied to the TSR calculation. The “Corporate Scorecard” is also translated from a performance score of 0 to 150 to a score of 0 – 200%. The

first grant of Performance Awards made under Athabasca’s Performance Plan vested on April 1, 2017 with a payout multiplier of 100%.

Other Compensation

Employee Savings Plan

The Corporation has a group employee registered retirement savings plan (the “ESP”) to assist employees in meeting their retirement and savings goals. Under the ESP, employees (including the NEOs) may elect to contribute between 1% and 4% of their salary to the ESP and the Corporation makes a matching contribution. The amount of the matching contribution depends on the number of years of service that an NEO has provided to the Corporation, as is set forth below:

Years of Service	Matching Contribution	Number of employees eligible (as of the date of the Circular)
Less than 3	100% up to 4% of base salary	29
3 – 8, and all full-time, field based employees	150% up to 6% of base salary	185
over 8	200% up to 8% of base salary	17

Pursuant to the ESP, contributions are deposited on a semi-monthly basis into an individual registered retirement savings plan that is maintained by a third-party investment and retirement savings company (the “Administrator”) on an employee’s behalf. Employees who reach or exceed the prescribed contribution limit that is set forth pursuant to the *Income Tax Act* (Canada) in a given year may elect to direct additional contributions into a non-registered savings plan that is also maintained by the Administrator. Employees have the ability to allocate the contributions among a variety of professionally managed investment funds which are available under the ESP. Once the contributions have been deposited with the Administrator, investment decisions are made by the employees and any transfers, withdrawals or other transactions are completed directly between the employees and the Administrator. Employees may withdraw their own contributions; however, pursuant to the terms of the ESP all monies deposited by the Corporation shall remain under the ESP until an employee leaves the Corporation or retires.

Employee Profit Sharing Plan

The Corporation also instituted an employee profit sharing plan (the “EPSP”) in order to give all employees (including the NEOs) the opportunity to participate in the growth potential of the Corporation and to help further align their interests with the long-term goals of the Corporation. Pursuant to the EPSP, the Corporation contributes on each participating employee’s behalf an amount equal to 5% of the participating employee’s base salary, which is used to purchase units in a segregated investment fund (the “AOC Stock Fund”) that invests solely in Common Shares of Athabasca and is administered by the Administrator. The amounts invested in the AOC Stock Fund on behalf of the participating employees vest immediately upon contribution. Upon vesting, participating employees may make investment decisions regarding the units of the AOC Stock Fund that they own by dealing directly with the Administrator.

CEO Compensation

Since becoming President and CEO on April 21, 2015, Mr. Broen has led Athabasca in establishing itself as an intermediate oil and gas producer through the implementation of several key transactions and by delivering on key operational objectives. See “Annual Short-Term Incentive Compensation – Athabasca’s 2017 Corporate Scorecard Performance” above for specific details regarding Athabasca’s 2017 Corporate Scorecard and its performance against its scorecard metrics.

As part of Athabasca’s pay philosophy, a significant portion of Mr. Broen’s target pay mix is comprised of: (a) 20% base salary and other compensation; (b) 20% as short-term incentive compensation (annual bonus); and (c) 60% in the form of long-term equity incentive compensation. This pay mix results in approximately 80% of his compensation being “at risk”.

Mr. Broen's leadership of Athabasca and alignment with company performance is reflected in his annual bonus, which is based 100% on the Corporation's performance against its Corporate Scorecard. In addition, the value of the LTI granted is directly tied to the Corporation's share price as well as performance relative to peers through the relative TSR component of the Performance Awards. The table below shows the grant date fair value of awards made to Mr. Broen since becoming President and CEO compared to the actual value of those awards as at the end of 2017.

Year	Grant Date Fair Value of Awards (\$) ⁽¹⁾	Actual Value of Awards as at December 31, 2017	Change in Award Value as a % of Grant Date Fair Value	Athabasca Share Price Return ⁽²⁾
2015	\$1,641,746	\$ 552,771	-66%	-54%
2016	\$ 947,384	\$ 537,996	-43%	-27%
2017	\$2,959,495	\$ 642,000	-78%	-35%
Total 2015 – 2017	\$5,548,625	\$1,732,767	-69%	-54%

Notes:

(1) Value includes RSU, Performance Award and Option grants.

(2) Equal to the percentage change in the 20 day volume weighted average price of Athabasca's Common Shares between the beginning of each period and December 31, 2017.

As shown in the table above, the current realizable value of Mr. Broen's 2015, 2016 and 2017 long-term incentive grants are approximately 31% of the grant date value due to the decline in Common Share price over the period, representing a 69% decline in value.

Compensation Risk

Risk Assessment

As part of its annual review of the Corporation's compensation program, one of the Compensation and Governance Committee's objectives is to ensure that the Corporation's compensation program provides executive officers with appropriate incentives to achieve both short-term and long-term corporate objectives, without motivating them to take inappropriate or excessive risks. The Compensation and Governance Committee did not identify any significant areas of risk arising from the Corporation's compensation policies and practices that would be reasonably likely to have a material adverse effect on the Corporation.

In 2017, the Compensation and Governance Committee considered the following aspects of the Corporation's compensation program, among others:

- a significant portion of executive compensation is at risk (not guaranteed) and is variable year over year. For example, annual short-term incentive compensation is granted in the form of annual cash bonus awards that are determined by the Board with reference to a target percentage of annual base salary, adjusted for corporate and personal performance during the performance period;
- the compensation program for executive officers is substantially similar to the overall compensation program for the other employees of the Corporation; and

- the long-term incentive plans are designed such that RSUs vest one-third per year on the first, second and third anniversaries of the grant date, Options have a term of seven years and Performance Awards have a term that expires on December 15th of the third year following the year the Performance Award is granted, which the Corporation believes reduces the risk of executives taking actions which may only have short-term benefits.

Compensation risk has also been mitigated through the Corporation's policies that are described below.

Restrictions on Short-Selling and Derivative Transactions

In accordance with the Corporation's Trading and Blackout Policy, executive officers and the directors of the Corporation are prohibited from: (a) short selling securities of the Corporation ("Securities") or otherwise speculating in Securities with the intention of reselling or buying back such Securities in a relatively short period of time in the expectation of a rise or fall in the market price of Securities; (b) buying or selling put or call options or other derivatives in respect of Securities; or (c) entering into other transactions which have the effect of hedging the economic value of any direct or indirect interest in Securities, including financial instruments such as prepaid variable forward contracts, equity swaps or collars.

Share Ownership Guidelines

The Board has implemented a mandatory equity ownership policy for directors and executive officers.

Position	Share Ownership Guideline
CEO	5x Base Salary
Other NEOs	1x – 3x Base Salary
Directors	5x Cash Retainer

The determination of whether a director or executive officer meets the applicable guideline value is made at the end of each calendar year using the greater of: (a) the average closing price of Common Shares on the TSX for the final 60 days of the year; and (b) the acquisition cost of the applicable form of equity. The

independent directors and executive officers have a period of five years from the date of the implementation of the policy on March 18, 2014, or from the date of their appointment as an executive officer of the Corporation, whichever is later, to acquire the value required.

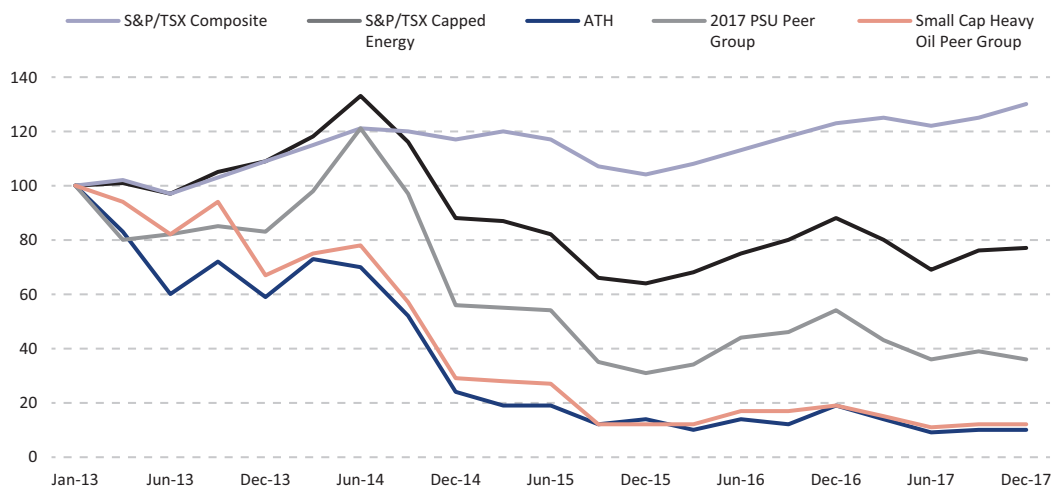
Clawback Policy

The Board adopted an Executive Compensation Clawback Policy pursuant to which the independent directors of the Corporation may rectify or prevent the unjust enrichment of an executive who, through his or her own misconduct, improperly receives incentive compensation beyond what he or she would, in the absence of such misconduct, have otherwise been entitled to receive.

Executive Compensation Alignment with Shareholder Value

Performance Graph

Our Common Shares trade on the TSX under the symbol “ATH”. The following graph compares the cumulative shareholder return of the Common Shares assuming an initial investment of \$100 on January 1, 2013 and assuming reinvestment of dividends, with the cumulative shareholder return of the S&P/TSX Energy Index, the S&P/TSX Composite Index, Athabasca’s 2017 peer group (see “*Compensation Discussion and Analysis – Athabasca’s Approach to Compensation – Pay Comparator Group*”) and its small cap heavy index peer group.



The trend shown in the graph above does not generally correlate with the compensation that was awarded to the NEOs over the same period as the value awarded is not necessarily reflective of the value ultimately realized by the NEO once long-term incentive awards vest.

Realizable Value versus Realized Value

It is important to note that the value of the share-based awards and option-based awards reflected in the “*Summary Compensation Table – NEOs*” below are the notional fair values of such equity-based incentive awards as of the date they are awarded. These values are reported pursuant to the requirements of National Instrument 51-102 – *Continuous*

Disclosure Obligations and do not reflect the eventual payout received by the NEOs for the share-based awards and option-based awards.

A NEO's actual, realized payout is subject to the NEO first meeting certain vesting requirements as set out in the applicable equity incentive plan (see "Description of Long-Term Equity Incentive Plans" in Appendix D to the Circular for a description of such vesting requirements) and depends on the price of the underlying Common Shares at the time of exercise or release.

Options have a realized value only if the price of the Common Shares increases above the exercise price after the Option's applicable vesting date. Performance Awards have value only if Athabasca's TSR is at least above the 25th percentile of its peer group and if Athabasca meets certain operational and corporate strategic performance thresholds in its Corporate Scorecard. The value of an RSU decreases or increases with the value of a Common Share. As a result, there is a strong correlation between the price performance of the Common Shares and the NEOs' "realized" compensation at the time the equity incentive award is settled.

Compensation of Named Executive Officers

Summary Compensation Table – NEOs

The following table sets out information concerning the compensation paid by the Corporation to the NEOs during the years ended December 31, 2017, December 31, 2016 and December 31, 2015.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) ⁽¹⁾	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$) ⁽⁵⁾	Total compensation (\$)
					Annual incentive plans ⁽³⁾	Long-term incentive plans ⁽⁴⁾			
Robert Broen, President and Chief Executive Officer	2017	500,000	1,050,000	1,909,495 ⁽⁶⁾	700,000	—	N/A	55,000	4,214,495
	2016	500,000	553,080	394,304	750,000	—	N/A	55,000	2,252,384
	2015	490,617	690,718	951,028 ⁽⁷⁾	824,400	—	N/A	57,522	3,014,285
Kimberly Anderson, Chief Financial Officer	2017	333,750	476,000	413,193 ⁽⁸⁾	207,800	—	N/A	36,187	1,466,930
	2016	306,181	232,320	165,676	201,000	—	N/A	27,556	932,733
	2015	315,000	272,950	179,760	224,200	—	N/A	28,350	1,020,260
Kevin Smith, Vice President, Light Oil	2017	350,000	490,000	420,290 ⁽⁹⁾	209,600	—	N/A	38,500	1,508,390
	2016	350,000	258,170	183,976	218,800	—	N/A	31,500	1,042,446
	2015	350,000	265,328	174,720	236,656	—	N/A	31,500	1,058,204
Matthew Taylor, Vice President, Capital Markets & Communications	2017	312,500	441,000	395,486 ⁽¹⁰⁾	189,500	—	N/A	32,325	1,370,811
	2016	305,000	224,950	160,369	193,100	—	N/A	27,450	910,869
	2015	305,000	227,012	149,604	214,700	—	N/A	20,207	916,523
David Stewart, Vice President, Operations	2017	315,833	472,850	223,236	191,500	—	N/A	34,742	1,238,161
	2016 ⁽¹¹⁾	267,161	101,420	47,376	141,800	—	N/A	28,090	585,847

Notes

- (1) The value of Share-based awards is based on the 20-day volume weighted average price ("VWAP") which was calculated on March 15, 2015 for 2015 awards (\$2.06), on March 10, 2016 for 2016 awards (\$1.10), and on March 9, 2017 (\$1.75) for 2017 awards.
- (2) The value of Option-based awards is based on the grant date fair value of the applicable awards calculated using the Black-Scholes-Merton formula in accordance with International Financial Reporting Standards 2 Share-based Payment. The weighted average assumptions used in valuation of Option-based awards are outlined in the table below:

Assumption/Estimate	2017	2016	2015
Risk free interest rate	1.1%	.53%	0.9%
Estimated forfeiture rate	7.0%	7.3%	7.1%
Expected life (years)	4.8	3.4	4.3
Dividend rate	0%	0%	0%
Volatility	54.6%	55.7%	49%
Grant date fair value (per Option)	\$.689	\$0.61	\$0.82
Grant date fair value (per RSU)	\$1.53	\$1.43	\$2.21

- (3) Reflects bonuses earned by the NEOs in respect of the applicable year's performance.
- (4) The Corporation did not have any cash-based long-term incentive plans as at December 31, 2017.
- (5) Unless otherwise noted, "All Other Compensation" includes employer matching contributions made by the Corporation on the NEO's behalf pursuant to the ESP and the EPSP. In no case did other personal benefits exceed in aggregate more than \$50,000 or ten percent (10%) of the NEOs total salary for the financial year.
- (6) This value represents grants to Mr. Broen of: (a) 2,000,000 options as a special one-time grant; and (b) 771,400 options as his annual 2017 grant.
- (7) This value represents grants to Mr. Broen of: (a) 200,000 options upon his 2015 promotion to President and Chief Executive Officer; and (b) 541,700 options as his annual 2015 grant.
- (8) This value represents grants to Ms. Anderson of: (a) 250,000 options as a special one-time grant; and (b) 349,700 options as her annual 2017 grant.
- (9) This value represents grants to Mr. Smith of: (a) 250,000 options as a special one-time grant; and (b) 360,000 options as his annual 2017 grant.
- (10) This value represents grants to Mr. Taylor of: (a) 250,000 options as a special one-time grant; and (b) 324,000 options as his annual 2017 grant.
- (11) Promoted to Vice President, Operations on November 7, 2016.

Long-Term Equity Incentive Plans

Detailed descriptions of Athabasca's long-term equity incentive plans are contained in Appendix D to the Circular. These plans consist of the Option Plan, the Performance Plan, the 2010 RSU Plan and the New RSU Plan. The maximum number of Common Shares issuable on the exercise or conversion of outstanding securities granted under any of such plans, at any time, is limited to 10% of the number of Common Shares that are issued and outstanding, less the number of Common Shares that are issuable pursuant to all other security based compensation arrangements of Athabasca. In addition, the number of Common Shares reserved for issuance to any one participant under all security based compensation arrangements of Athabasca may not exceed 5% of the issued and outstanding Common Shares. The number of Common Shares issuable to insiders (as defined by the TSX for this purpose) at any time, as well as the number of Common Shares issued to insiders (as defined by the TSX for this purpose) within any one-year period under all security based compensation arrangements of Athabasca, may not exceed 10% of the issued and outstanding Common Shares.

As at December 31, 2017, the total number of Common Shares issuable to insiders under all of our security based compensation arrangements was approximately 3% of our total issued and outstanding Common Shares.

Burn Rate

The following table sets forth the annual burn rate for each of the three most recently completed fiscal years for each of the Corporation's equity incentive plans. As discussed further in the Circular at "Compensation Discussion and Analysis – Long-Term Equity Incentive Plans – Option Plan", the Board elected in 2017 to provide some of its key executives with a one-time grant of Options to retain the talent required to maintain the Corporation's momentum as it has rapidly transformed into an intermediate oil weighted producer. To ensure that other shareholders are not excessively diluted, however, the Board limited all grants of Options in 2017 to executives of the Corporation and elected not to grant any Options at all in 2018.

The burn rate has been calculated by dividing the number of awards granted under the arrangement during the applicable fiscal year, by the weighted average number of securities outstanding for the applicable fiscal year:

Plans	2015	2016	2017
Options	0.7%	0.8%	1.3%
Performance Units ⁽¹⁾	0.4%	0.4%	0.4%
New RSUs	0.7%	0.9%	1.4%
2010 RSUs	0.1%	0%	0%
Total	1.9%	2.1%	3.2% ⁽²⁾

(1) Assuming a payout multiplier of 100%

(2) Numbers do not add precisely due to rounding.

Outstanding Share-Based Awards and Option-Based Awards – NEOs

The following table sets forth information regarding all Options, 2010 RSUs and Performance Awards held by each NEO as of December 31, 2017.

Name	Option-Based Awards ⁽¹⁾				Share-Based Awards ⁽³⁾		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽⁴⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Robert Broen	2,771,400	1.50	01-Apr-2024	—	1,326,633	496,958	—
	646,400	1.43	01-Apr-2023	—			
	541,700	2.07	01-Apr-2022	—			
	363,600	7.27	10-Sep-2021	—			
	66,667	0.10	14-Jan-2020	64,667			
	87,900	0.10	10-Sep-2019	85,263			
	80,500	6.49	31-Oct-2018	—			
Kimberly Anderson	599,700	1.50	01-Apr-2024	—	570,166	213,953	—
	271,600	1.43	01-Apr-2023	—			
	214,000	2.07	01-Apr-2022	—			
	23,500	7.27	10-Sep-2021	—			
	7,800	0.10	10-Sep-2019	7,566			
	275,000	0.10	18-Feb-2019	266,750			
	275,000	7.84	18-Feb-2019	—			
Kevin G Smith	610,000	1.50	01-Apr-2024	—	595,766	223,154	—
	301,600	1.43	01-Apr-2023	—			
	208,000	2.07	01-Apr-2022	—			
	34,600	7.27	10-Sep-2021	—			
	11,500	0.10	10-Sep-2019	11,155			
	297,000	0.10	06-Jan-2019	288,090			
Matthew Taylor	297,000	6.49	06-Jan-2019	—	525,432	196,971	—
	574,000	1.50	01-Apr-2024	—			
	262,900	1.43	01-Apr-2023	—			
	178,100	2.07	01-Apr-2022	—			
	9,800	7.27	10-Sep-2021	—			
	3,300	0.10	10-Sep-2019	3,201			
	56,250	0.10	08-May-2019	54,563			
David Stewart	225,000	8.12	08-May-2019	—	376,933	167,882	—
	324,000	1.50	01-Apr-2024	—			
	36,400	1.23	24-Nov-2023	—			
	61,600	1.07	01-Apr-2023	—			
	63,000	2.07	01-Apr-2022	—			
	31,000	7.31	01-Jul-2021	—			
	20,600	0.10	01-Jul-2019	19,982			
	4,800	0.10	01-Jul-2018	4,656			
	4,800	6.48	01-Jul-2018	—			
	74,000	0.10	01-May-2018	71,780			
	74,000	7.02	01-May-2018	—			

Notes:

- (1) See “Long-Term Equity Incentive Plans”. Grants of 2010 RSUs are disclosed as option-based awards as the 2010 RSU Plan requires payment of \$0.10 per Common Share upon the issuance of Common Shares pursuant to 2010 RSUs.
- (2) The value of unexercised in-the-money Options or 2010 RSUs has been calculated by subtracting the exercise price of such securities from \$1.07, being the closing price of the Common Shares on the TSX on December 29, 2017, and multiplying the difference by the number of unexercised in-the-money Options or 2010 RSUs, as applicable.
- (3) See Appendix D for a description of Performance Units and New RSUs.

- (4) Performance Awards provide a single payout upon vesting, and the award of these is based on the payout multiplier determined for the performance period(s). The minimum Award Value (as defined in Appendix D) may be \$0. The value of unvested Performance Awards is based on the current weighted average payout multiplier for the performance period(s) multiplied by the number of units and \$1.07, being the closing price on the TSX on December 29, 2017. The value of unvested New RSUs is based on the number of units multiplied by \$1.07, being the closing price on the TSX on December 29, 2017.

Incentive Plan Awards – Value Vested or Earned During the Year – NEOs

The following table sets forth for each NEO, the value of option-based awards and share-based awards which vested during the year ended December 31, 2017 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2017.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year ⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year ⁽³⁾ (\$)
Robert Broen	136,361	332,051	700,000
Kimberly Anderson	67,181	76,401	207,800
Kevin Smith	59,012	91,401	209,600
Matthew Taylor	42,697	58,952	189,500
David Stewart	23,445	67,151	191,500

Notes:

- (1) The value vested during the year for in the money option-based awards (2010 RSUs and Options) has been calculated by determining the difference between the trading price of the Common Shares and the exercise price of the vested securities on the applicable vesting dates (or the next trading day if the securities vested on a date when the TSX was closed).
- (2) The value vested during the year for share-based awards (New RSUs and Performance Awards) has been calculated by multiplying the number of share-based awards vested by the volume weighted average price per Common Share on the TSX for five trading days immediately preceding the vesting date.
- (3) Reflects 2017 annual bonuses earned by the NEOs in the year ended December 31, 2017.

Termination and Change of Control Benefits

Except as described below, Athabasca has not entered into any contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of Athabasca or a change in an NEO's responsibilities.

Executive Employment Agreements

The Corporation has entered into executive employment agreements with each of the NEOs that outline the terms and conditions of their employment with the Corporation and treatment in the event of termination, resignation or change of control. These agreements provide for base salary, benefits, a discretionary annual bonus and grants of Options, New RSUs and Performance Awards.

Pursuant to the executive employment agreements, Athabasca may immediately terminate the employment of an NEO at any time (other than for just cause) with the payment of a retirement allowance equal to the sum of two times their current annual salary ("**Salary Allowance**") plus the average of any cash bonus paid in the previous two years. The CEO is also entitled to an

amount equal to 20% of his Salary Allowance and the other NEOs are entitled to an amount equal to 15% of their respective Salary Allowances as compensation for loss of benefits (the Salary Allowance, cash bonus and benefits payment are collectively the "**Applicable Retiring Allowance**").

If an event occurs such that an NEO no longer has a substantially equivalent role within a year following a change of control of Athabasca, the NEO has the right to terminate his or her employment upon providing Athabasca two weeks advance written notice, and unless Athabasca makes the request described below, Athabasca must pay the Applicable Retiring Allowance to the NEO. If the NEO elects to resign from his or her employment within one year of a change of control of Athabasca, he or she must, at the request of Athabasca, continue his or her employment with Athabasca for a period of up to six months (three months in respect of the CEO) with existing compensation and benefits to provide transition services and other duties requested by Athabasca. Any changes to the NEO's position or his or her duties during the transition period will not constitute constructive dismissal.

In order to receive the Applicable Retiring Allowance, the NEO must execute a full and final release in favor of Athabasca and resign from any of the NEO's director or officer roles at Athabasca if requested by the Board.

Pursuant to the terms of the executive employment agreements, the NEOs have an obligation to not reveal confidential or proprietary information of Athabasca during employment or at any time thereafter. In addition, for a period of one year after employment ceases, regardless of the reason for the cessation of employment, the NEOs cannot, directly or indirectly, solicit, induce, encourage or facilitate any employees or consultants of Athabasca to leave the employment of, or consulting relationship with, Athabasca.

If the executive employment agreements had been terminated as of December 31, 2017, the following aggregate amounts would have been paid to the following NEOs: Mr. Broen – \$2,450,000; Ms. Anderson – \$999,825; Mr. Smith – \$1,046,056; Mr. Taylor – \$939,650 and Mr. Stewart – \$890,416.

Options, 2010 RSUs, New RSUs and Performance Awards

In the event there is a change of control of the Corporation (as defined in the applicable plan), the NEOs are entitled to receive

The following table outlines the estimated incremental payments, payables and benefits that theoretically would have been obtained by the NEO's pursuant to their Options, 2010 RSUs, New RSUs and Performance Awards if a change of control were to have occurred on December 31, 2017 and if the NEO had received notice that the NEO's employment with the Corporation would terminate within 30 days of the date of such change of control.

Name	Options Issued Prior to the Revised Option Agreement ⁽¹⁾⁽²⁾	Options Issued Under the Revised Option Plan w/Optionee Termination Notice ⁽³⁾	Option Cash Bonus (w/o Optionee Termination Notice) ⁽⁴⁾	2010 RSUs Issued Prior to the Revised RSU Agreement (\$) ⁽⁵⁾	2010 RSUs Issued Under the Revised RSU Agreement (w/Participant Termination Notice) (\$) ⁽⁶⁾	2010 RSU Cash Bonus (w/o Optionee Termination Notice)(\$) ⁽⁷⁾	Performance Award and New RSU (w/ Service Provider Termination Notice) Change of Control Award Value (\$)	Performance Award Contingent and New RSU (w/o Service Provider Termination Notice) Change of Control Award Value (\$)
Robert Broen	—	0	0	—	149,930	149,930	741,021	741,021
Kimberly Anderson	—	0	0	—	274,316	274,316	324,329	324,329
Kevin Smith	—	0	0	—	299,245	299,245	338,207	338,207
Matthew Taylor	—	0	0	—	57,764	57,764	300,311	300,311
David Stewart	—	0	0	—	96,418	96,418	274,893	274,893

Notes:

- (1) See Appendix A – “Restricted Share Unit Plan”, Appendix B – “Stock Option Plan” and Appendix D – “Description of Long-Term Equity Incentive Plans” for additional details and for a description of the defined terms set out in the table.
- (2) None of the Options granted prior to the implementation of the Revised Option Agreements would have been in-the-money assuming a Common Share price of \$1.07 (the closing price of the Common Shares on the TSX on December 29, 2017).
- (3) None of the Options granted pursuant to Revised Option Agreements would have been in-the-money assuming a Common Share price of \$1.07 (the closing price of the Common Shares on the TSX on December 29, 2017).

varying treatment under the Option Plan, 2010 RSU Plan, New RSU Plan and Performance Plan. See Appendix D – “Description of Long-Term Equity Compensation Plans”.

If the NEO is provided a termination notice that the NEO's employment with the Corporation will terminate within 30 days of the change of control: (i) the NEO's Options and 2010 RSUs will vest immediately and terminate within 90 days; (ii) the NEO's New RSUs vest immediately prior to the change of control unless the Board establishes an earlier vesting date; and (iii) the NEO becomes entitled to Performance Awards, the calculation of which depends on when the change of control occurs.

If the NEO has continuing employment after the change of control, he or she becomes entitled, as applicable, to: (i) an Option cash bonus and a 2010 RSU cash bonus; (ii) the value of any New RSU awards fixed as of the date of the change of control but vesting in accordance with the original grant and paid in cash; and (iii) payment under the Performance Plan contingent on the NEO remaining in the continuous employ for the period of the original grant.

For additional information, see Appendix D – “Description of Long-Term Equity Incentive Plans”.

- (4) No Option Cash Bonus would be payable on the Options granted, assuming a Change of Control price of \$1.07 (the closing price of the Common Shares on the TSX on December 29, 2017).
- (5) The Corporation did not issue any 2010 RSUs prior to the Revised RSU Agreement.
- (6) Calculated by subtracting the exercise price of \$0.10 from \$1.07 (the closing price of the Common Shares on the TSX on December 29, 2017) and multiplying the difference by the number of 2010 RSUs granted.
- (7) Assuming a Change of Control occurred on December 31, 2017, each NEOs RSU Cash Bonus would have been payable no later than December 31, 2020.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information in respect of securities authorized for issuance under each of the Corporation's equity compensation plans approved by shareholders at December 31, 2017.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	25,898,857	\$2.01	25,105,191 ⁽¹⁾
Equity compensation plans not approved by securityholders	—	—	—
Total	25,898,857	\$2.01	25,105,191

Note:

- (1) Pursuant to the Option Plan, 2010 RSU Plan, Performance Plan, and the New RSU Plan, the maximum number of Common Shares issuable on exercise/vesting of Options, 2010 RSUs, Performance Awards and New RSUs at any time is limited to 10% of the outstanding Common Shares, less the number of Common Shares issuable pursuant to all other security based compensation arrangements (as defined in the TSX Company Manual), which includes the Option Plan, 2010 RSU Plan, Performance Plan, and the New RSU Plan.

Interest of Informed Persons in Material Transactions

There were no material interests, direct or indirect, of any proposed director or any Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or any known associate or affiliate of such persons, in any transaction since the commencement of the last completed financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, executive officer, or anyone who has held office as such since the commencement of the last completed financial year of the Corporation, or of any associate or affiliate of any of the foregoing individuals, in any matter to be acted on at the Meeting, other than the election of directors or the appointment of auditors.

Indebtedness of Directors, Executive Officers and Others

No director, proposed nominee for election as a director of the Corporation, executive officer or former executive officer or director of the Corporation, any associate of any such director or officer, or any employee or former employee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation, nor, at any time since the beginning of the most recently completed financial year of the Corporation, has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

Others Matters Coming Before The Meeting

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Annual General and Special Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person voting such proxy.

Additional Information

Additional information relating to the Corporation is available electronically on SEDAR at www.sedar.com or on the Corporation's website at www.atha.com. Financial information is provided in our comparative financial statements and management's discussion and analysis for our most recently completed financial year. Copies of our comparative financial statements and related management's discussion and analysis for our most recently completed financial year may be obtained by shareholders by contacting our Chief Financial Officer at Athabasca Oil Corporation, Suite 1200, 215 – 9th Avenue SW, Calgary, Alberta T2P 1K3 (Telephone: (403) 237-8227).

Appendix A

ATHABASCA OIL CORPORATION RESTRICTED SHARE UNIT PLAN

ARTICLE I DEFINITIONS AND INTERPRETATION

1.1 Definitions

For purposes of this Plan:

- (a) **“Account”** means an account maintained by the Corporation for each Participant and which will be credited with RSUs in accordance with the terms of this Plan;
 - (b) **“All or Substantially All of the Assets”** means greater than 90% of the aggregate of the net working interest reserves and best estimate contingent resources of the Corporation and its Subsidiaries, on a consolidated basis;
 - (c) **“Athabasca Group”** means, collectively, the Corporation, AOC Dover West Ltd., AOC Dover West Partnership, AOC Grosmont Corp., AOC Grosmont Partnership, AOC Carbonates Corp., AOC Carbonates Partnership, AOC Hangingstone Corp., AOC Hangingstone Partnership, AOC Birch Corp., AOC Birch Partnership, AOC Light Oil Corp. and AOC Light Oil Partnership, any entity that is a Subsidiary of the Corporation from time to time, and any other entity designated by the Board from time to time as a member of the Athabasca Group for the purposes of this Plan (and, for greater certainty, including any successor entity of any of the aforementioned entities);
 - (d) **“Award Date”** means the date or dates on which an award of RSUs is made to a Participant in accordance with Section 4.1;
 - (e) **“Award Value”** means, with respect to any RSUs, an amount equal to the number of RSUs, as such number may be adjusted in accordance with the terms of this Plan, multiplied by the Fair Market Value of the Shares;
 - (f) **“Black-Out Period”** means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any Participant that holds an RSU;
 - (g) **“Board”** means the board of directors of the Corporation as constituted from time to time;
 - (h) **“Change of Control”** means:
 - (i) a successful takeover bid; or
 - (ii) (A) any change in the beneficial ownership or control of the outstanding securities or other interests of the Corporation which results in:
 - (I) a person or group of persons “acting jointly or in concert” (within the meaning of MI 62-104); or
 - (II) an affiliate or associate of such person or group of persons;
holding, owning or controlling, directly or indirectly, more than 50% of the outstanding voting securities or interests of the Corporation; and
 - (B) members of the Board who are members of the Board immediately prior to the earlier of such change and the first public announcement of such change cease to constitute a majority of the Board at any time within sixty days of such change; or
 - (iii) Incumbent Directors no longer constituting a majority of the Board; or
 - (iv) the winding up of the Corporation or the sale, lease or transfer of All or Substantially All of the Assets to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of the Corporation is continued and where the shareholdings or other security holdings, as the case may be, in the continuing entity and the constitution of the board of directors or similar body of the continuing entity is such that the transaction would not be considered a “Change of Control” if paragraph (h)(ii) above was applicable to the transaction); or
 - (v) any determination by a majority of the Board that a Change of Control has occurred or is about to occur and any such determination shall be binding and conclusive for all purposes of this Plan;
- (i) **“Committee”** has the meaning ascribed thereto in Section 2.4;
- (j) **“Corporation”** means Athabasca Oil Corporation, and includes any successor corporation thereof;
- (k) **“Dividend Equivalent”** means a bookkeeping entry whereby each RSU is credited with the equivalent amount of the dividend paid on a Share in accordance with Section 4.2;
- (l) **“Dividend Market Value”** means the Fair Market Value per Share on the dividend record date;
- (m) **“Exchange”** means the TSX or, if the Shares are not then listed and posted for trading on the TSX, such stock

exchange on which such Shares are listed and posted for trading as may be selected for such purpose by the Board;

- (n) **"Expiry Date"** means, with respect to any RSU, December 15th of the third year following the year in which the RSU was granted;
- (o) **"Fair Market Value"** with respect to a Share, as at any date, means the volume weighted average of the prices at which the Shares traded on the TSX (or, if the Shares are not then listed and posted for trading on the TSX or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the majority of the trading volume and value of the Shares occurs) for the five (5) trading days on which the Shares traded on the said exchange immediately preceding such date. In the event that the Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Shares as determined by the Board in its sole discretion, acting reasonably and in good faith;
- (p) **"Forfeiture Date"** means the date that is the earlier of: (i) the effective date of the Service Provider's termination or resignation, as the case may be; and (ii) the date that the Service Provider ceases to be in the active performance of the usual and customary day-to-day duties of the Service Provider's position or job, regardless of whether adequate or proper advance notice of termination or resignation shall have been provided in respect of such cessation of being a Service Provider;
- (q) **"Incumbent Directors"** means any member of the Board who was a member of the Board at the effective date of this Plan and any successor to an Incumbent Director who was recommended or elected or appointed to succeed any Incumbent Director by the affirmative vote of the Board, including a majority of the Incumbent Directors then on the Board, prior to the occurrence of the transaction, transactions, elections or appointments giving rise to a Change of Control;
- (r) **"Insider", "associate" and "affiliate"** each have the meaning ascribed thereto in Part I of the Company Manual of the TSX, as amended from time to time;
- (s) **"MI 62-104"** means Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*, as amended from time to time;
- (t) **"Participant"** means a Service Provider determined to be eligible to participate in this Plan in accordance with Section 3.1 and, where applicable, a former Service Provider deemed eligible to continue to participate in this Plan in accordance with Section 4.5;
- (u) **"Plan"** means this Restricted Share Unit Plan;
- (v) **"RSU"** means a unit equivalent in value to a Share credited by means of a bookkeeping entry in the Participants' Accounts;
- (w) **"RSU Agreement"** has the meaning set forth in Section 3.2;
- (x) **"Security Based Compensation Arrangements"** has the meaning ascribed thereto in Part VI of the Company Manual of the TSX, as amended from time to time;
- (y) **"Service Provider"** means an officer or employee of, or a person or company engaged by, one or more of the entities comprising the Athabasca Group to provide services for an initial, renewable or extended period intended to be twelve months or more;
- (z) **"Share"** means a common share of the Corporation;
- (aa) **"Subsidiary"** has the meaning ascribed thereto in the *Securities Act* (Alberta);
- (bb) **"Successor"** has the meaning ascribed thereto in Section 5.2;
- (cc) **"takeover bid"** means a "take-over bid" as defined in MI 62-104 pursuant to which the "offeror" would as a result of such takeover bid, if successful, beneficially own, directly or indirectly, in excess of 50% of the outstanding Shares;
- (dd) **"TSX"** means the Toronto Stock Exchange; and
- (ee) **"Vesting Date"** means, with respect to any RSU, the date upon which the Award Value to which the Participant is entitled pursuant to such RSU shall irrevocably vest and become irrevocably payable by the Corporation to the Participant in accordance with the terms hereof.

1.2 Interpretation

Words in the singular include the plural and words in the plural include the singular. Words importing male persons include female persons, corporations or other entities, as applicable. The headings in this document are for convenience and reference only and shall not be deemed to alter or affect any provision hereof. The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this document as a whole and not to any particular Article, Section, paragraph or other part hereof.

ARTICLE II

PURPOSE AND ADMINISTRATION OF THE PLAN

2.1 Purpose

The purpose of this Plan is to: (a) aid in attracting, retaining and motivating the officers, employees and other eligible Service Providers of the Athabasca Group in the growth and development of the Athabasca Group by providing them with the opportunity through RSUs to acquire an increased proprietary interest in the Corporation; (b) more closely align their interests with those of the Corporation's shareholders; (c) focus such Service Providers on operating and financial performance and

long-term shareholder value; and (d) motivate and reward for their performance and contributions to the Corporation's long-term success.

2.2 Administration of the Plan

Subject to Section 2.4, this Plan shall be administered by the Board.

2.3 Authority of the Board

The Board shall have the full power to administer this Plan, including, but not limited to, the authority to:

- (a) interpret and construe any provision hereof and decide all questions of fact arising in their interpretation;
- (b) adopt, amend, suspend and rescind such rules and regulations for administration of this Plan as the Board may deem necessary in order to comply with the requirements of this Plan, or in order to conform to any law or regulation or to any change in any laws or regulations applicable thereto;
- (c) determine the individuals to whom RSUs may be awarded;
- (d) award such RSUs on such terms and conditions as it determines including, without limitation: the time or times at which RSUs may be awarded; the time or times when each RSU shall vest and the term of each RSU; whether restrictions or limitations are to be imposed on the Shares the Corporation may elect to issue in settlement of all or a portion of the Award Value of vested RSUs and the nature of such restrictions or limitations, if any; any acceleration or waiver of termination or forfeiture regarding any RSU; in each case, based on such factors as the Board may determine appropriate, in its sole discretion;
- (e) take any and all actions permitted by this Plan; and
- (f) make any other determinations and take such other action in connection with the administration of this Plan that it deems necessary or advisable.

2.4 Delegation of Authority

To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee (the "**Committee**") of the Board all or any of the powers conferred on the Board under this Plan. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive.

The Board or the Committee may delegate or sub-delegate to any director or officer of the Corporation the whole or any part of the administration of this Plan and shall determine the scope of such delegation or sub-delegation in its sole discretion.

2.5 Discretionary Relief

Notwithstanding any other provision hereof, the Board may, in its sole discretion, waive any condition set out herein if it determines that specific individual circumstances warrant such waiver.

2.6 Amendment or Discontinuance of the Plan

- (a) The Board may amend or discontinue this Plan or amend any RSU at any time without the consent of a Participant, provided that such amendment shall not adversely alter or impair any RSU previously granted under the Plan or any related RSU Agreement, except as otherwise permitted hereunder. In addition, the Board may, by resolution, amend this Plan and any RSU granted under it (together with any related RSU Agreement) without shareholder approval, provided however, that at any time after the Corporation has obtained the approval of the TSX and shareholders in accordance with the requirements of the TSX to the issuance of Shares in respect of the Award Value of the RSUs referred to in Section 6.1, and thereafter while the Shares are listed for trading on the TSX, the Board will not be entitled to amend this Plan or any RSU granted under it without shareholder and, if applicable, TSX approval: (i) to increase the maximum number of Shares issuable pursuant to this Plan; (ii) to cancel an RSU and subsequently issue the holder of such RSU a new RSU in replacement thereof; (iii) to extend the term of an RSU; (iv) to permit the assignment or transfer of an RSU other than as provided for in this Plan; (v) to add to the categories of persons eligible to participate in this Plan; (vi) to remove or amend Section 4.4(c), Section 4.4(d) or Section 4.4(e) of this Plan; (vii) to remove or amend this Section 2.6(a); or (viii) in any other circumstances where TSX and shareholder approval is required by the TSX.
- (b) Without limitation of Section 2.6(a), the Board may correct any defect or supply any omission or reconcile any inconsistency in this Plan in the manner and to the extent deemed necessary or desirable, may establish, amend, and rescind any rules and regulations relating to this Plan, and may make such determinations as it deems necessary or desirable for the administration of this Plan.
- (c) On termination of this Plan, any outstanding awards of RSUs under this Plan shall immediately vest and the Award Value underlying the RSUs shall be paid to the Participants in accordance with and upon compliance with Section 4.6. This Plan will finally cease to operate for all purposes when (i) the last remaining Participant receives payment in respect of the Award Value underlying all RSUs credited to the Participant's Account, or (ii) all unvested RSUs expire in accordance with the terms of this Plan and the relevant RSU Agreements.

2.7 Final Determination

Any determination or decision by, or opinion of, the Board, the Committee or a director or officer of the Corporation made or held pursuant to the terms set out herein shall be made or held reasonably and shall be final, conclusive and binding on all parties concerned, including, but not limited to, the Corporation, the Participants and their beneficiaries and legal representatives.

Subject to Section 2.5, all rights, entitlements and obligations of Participants under this Plan are set forth in the terms hereof and cannot be modified by any other documents, statements or communications, except by amendment to the terms set out herein referred to in Section 2.6.

2.8 Withholding Taxes

When a Participant or other person becomes entitled to receive a payment in respect of any RSUs, the Corporation shall have the right to require the Participant or such other person to remit to the Corporation an amount sufficient to satisfy any withholding tax requirements relating thereto. Unless otherwise prohibited by the Committee or by applicable law, satisfaction of the withholding tax obligation may be accomplished by any of the following methods or by a combination of such methods:

- (a) the tendering by the Participant of cash payment to the Corporation in an amount less than or equal to the total withholding tax obligation;
- (b) where the Corporation has elected to issue Shares to the Participant, the withholding by the Corporation or a member of the Athabasca Group, as the case may be, from the Shares otherwise payable to the Participant such number of Shares as it determines are required to be sold by the Corporation, as trustee, to satisfy the total withholding tax obligation (net of selling costs, which shall be paid by the Participant). The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Shares; or
- (c) the withholding by the Corporation or a member of the Athabasca Group, as the case may be, from any cash payment otherwise due to the Participant such amount of cash as is less than or equal to the amount of the total withholding tax obligation;

provided, however, that the sum of any cash so paid or withheld and the Fair Market Value of any Shares so withheld is sufficient to satisfy the total withholding tax obligation. Any reference in this Plan to the Award Value or payment of cash or issuance of Shares in settlement thereof is expressly subject to this Section 2.8.

2.9 Taxes

Participants (or their beneficiaries) shall be responsible for reporting and paying all taxes with respect to any RSUs under the Plan, whether arising as a result of the grant or vesting of RSUs or otherwise. Neither the Corporation nor the Board make any guarantees to any person regarding the tax treatment of an RSU or payments made under the Plan and none of the Corporation or any of its employees or representatives shall have any liability to a Participant with respect thereto. The Corporation will provide each Participant with (or cause each Participant to be provided with) a T4 slip or such information return as may be required by applicable law to report income, if any, arising upon the grant or vesting of rights under this Plan by a Participant for income tax purposes.

2.10 Information

Each Participant shall provide the Corporation with all of the information (including personal information) that it requires in order to administer this Plan.

2.11 Account Information

Information pertaining to the RSUs in Participants' Accounts will be made available to the Participants at least annually in such manner as the Corporation may determine and shall include such matters as the Board or the Committee may determine from time to time or as otherwise may be required by law.

2.12 Indemnification

Each member of the Board or Committee is indemnified and held harmless by the Corporation against any cost or expense (including any sum paid in settlement of a claim with the approval of the Corporation) arising out of any act or omission to act in connection with the terms hereof to the extent permitted by applicable law. This indemnification is in addition to any rights of indemnification a Board or Committee member may have as director or otherwise under the by-laws of the Corporation, any agreement, any vote of shareholders, or disinterested directors, or otherwise.

ARTICLE III

ELIGIBILITY AND PARTICIPATION IN THE PLAN

3.1 Participation

The Board, in its sole discretion, shall determine, or shall delegate to the Committee the authority to determine, which Service Providers will participate in this Plan.

3.2 RSU Agreement

A Participant shall confirm acknowledgement of an award of RSUs made to such Participant in such form as determined by the

Board from time to time (the “**RSU Agreement**”), within such time period and in such manner as specified by the Board. If acknowledgement of an award of RSUs is not confirmed by a Participant within the time specified, the Corporation reserves the right to revoke the crediting of RSUs to the Participant’s Account.

3.3 Participant’s Agreement to be Bound

Participation in this Plan by any Participant shall be construed as irrevocable acceptance by the Participant of the terms and conditions set out herein and all rules and procedures adopted hereunder and as amended from time to time.

ARTICLE IV TERMS OF THE PLAN

4.1 Grant of RSUs

Subject to Section 3.2, an award of RSUs pursuant to this Plan will be made and the number of such RSUs awarded will be credited to each Participant’s Account, effective as of the Award Date. The number of RSUs to be credited to each Participant’s Account shall be determined by the Board, or the Committee delegated by the Board to do so, each in its sole discretion.

4.2 Credits for Dividends

A Participant’s Account shall be credited with a Dividend Equivalent in the form of additional RSUs only if the Board, in its sole discretion, so determines. Such Dividend Equivalent, if any, shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs recorded in the Participant’s Account on the record date for the payment of such dividend, by (b) the Dividend Market Value, with fractions computed to three decimal places.

4.3 Vesting

The Board or the Committee may, in its sole discretion, determine: (i) the time during which RSUs shall vest (except that no RSU, or portion thereof, may vest after the Expiry Date) and whether there shall be any other conditions or performance criteria to vesting; (ii) the method of vesting; or (iii) that no vesting restriction shall exist. In the absence of any determination by the Board or the Committee to the contrary, RSUs (and any corresponding Dividend Equivalents) will vest and be payable as to one third (1/3) of the total number of RSUs granted (together with a proportionate number of Dividend Equivalents) on each of the first, second and third anniversaries of the Award Date (computed in each case to the nearest whole RSU). Notwithstanding the foregoing, the Committee may, at its sole discretion at any time or in the RSU Agreement in respect of any RSUs granted, accelerate or provide for the acceleration of

vesting in whole or in part of RSUs previously granted. The Award Value of any RSU shall be determined as of the applicable Vesting Date.

4.4 Limits on Issuances

Notwithstanding any other provision of this Plan:

- (a) the maximum number of Shares issuable pursuant to outstanding RSUs at any time shall be limited to 10.0% of the aggregate number of issued and outstanding Shares, less the number of Shares issuable pursuant to all other Security Based Compensation Arrangements;
- (b) the number of Shares reserved for issuance to any one Participant under all Security Based Compensation Arrangements will not exceed 5.0% of the issued and outstanding Shares;
- (c) the number of Shares issuable to Insiders, at any time, under all Security Based Compensation Arrangements, shall not exceed 10.0% of the issued and outstanding Shares;
- (d) the number of Shares issued to Insiders, within any one year period, under all Security Based Compensation Arrangements, shall not exceed 10.0% of the issued and outstanding Shares; and
- (e) RSUs may not be awarded to directors of the Corporation who are not officers or employees of the Corporation or another member of the Athabasca Group.

For the purposes of this Section 4.4, any increase in the issued and outstanding Shares (whether as a result of the issue of Shares from treasury in settlement of the Award Value underlying vested RSUs or otherwise) will result in an increase in the number of Shares that may be issued pursuant to RSUs outstanding at any time and any increase in the number of RSUs granted will, upon vesting and settlement of the Award Value underlying such vested RSUs by the issuance of Shares from treasury, make new grants available under this Plan; and

RSUs (or the Award Value thereof) that are cancelled, surrendered, terminated or that expire prior to the final Vesting Date or in respect to which the Corporation has not elected to issue Shares from treasury in respect thereof shall result in such Shares that were reserved for issuance thereunder being available for being available to be issued, at the election of Corporation, in respect of a subsequent grant of RSUs pursuant to this Plan to the extent of any Shares which have not been issued from treasury in respect of any such RSU.

For purposes of the calculations in this Section 4.5 only, it shall be assumed that all issued and outstanding RSUs will be settled by the issuance of Shares from treasury, notwithstanding the Corporation’s right pursuant to Section 4.6 to settle the Award Value underlying vested RSUs in cash or by purchasing Shares on the open market.

4.5 RSU Terms

The term during which a RSU may be outstanding shall, subject to the provisions of this Plan requiring or permitting the acceleration or the extension of the term, be such period as may be determined from time to time by the Board or the Committee, but subject to the rules of any stock exchange or other regulatory body having jurisdiction (but in no case shall the term of an RSU extend beyond the Expiry Date).

In addition, unless otherwise determined by the Board or the Committee, or unless the Corporation and a Participant agree otherwise in an RSU Agreement or other written agreement (including an employment or consulting agreement), each RSU shall provide that if a Participant shall cease to be a director or officer of or be in the employ of, or a consultant or other Service Provider to, any of the entities comprising the Athabasca Group for any reason whatsoever (other than death) including, without limitation, retirement, resignation or involuntary termination (with or without cause), as determined by the Board in its sole discretion, before all of the awards respecting RSUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, (i) such Participant shall cease to be a Participant as of the Forfeiture Date, (ii) the former Participant shall forfeit all unvested awards respecting RSUs in the Participant's Account effective as at the Forfeiture Date, (iii) any Award Value corresponding to any vested RSUs remaining unpaid as of the Forfeiture Date shall be paid to the former Participant in accordance with Section 4.6 (or, in the case of death, to the legal representative of the deceased former Participant's estate as soon as practicable after receipt of satisfactory evidence of the Participant's death from the authorized legal representative of the deceased Participant), and (iv) the former Participant shall not be entitled to any further payment from this Plan.

Notwithstanding the preceding paragraph or anything else contained in this Plan to the contrary, unless otherwise determined by the Board or the Committee, or unless the Corporation and a Participant agree otherwise in an RSU Agreement or other written agreement (including an employment or consulting agreement), if a Participant shall cease to be a director or officer of or be in the employ of, or a consultant or other Service Provider to, any of the entities comprising the Athabasca Group due to the death of the Participant, any unvested RSUs in the deceased Participant's Account effective as at the time of the Participant's death shall be deemed to have vested immediately prior to the Forfeiture Date with the result that the deceased Participant shall not forfeit any unvested RSUs and the Award Value corresponding to any such vested RSUs shall be paid to the legal representative of the deceased former Participant's estate in accordance with Section 4.6 after receipt of satisfactory evidence of the Participant's death from the authorized legal representative of the deceased Participant.

Where a Vesting Date occurs on a date when a Participant is subject to a Black-Out Period, such Vesting Date shall be extended to a date which is within seven business days following the end of such Black-Out Period, and further provided that (i) if any such extension would cause the Vesting Date or Vesting Dates to extend beyond the Expiry Date, the amounts to be paid on such Vesting Date or Vesting Dates shall be paid on the Expiry Date notwithstanding the Black-out Period, and (ii) if a Forfeiture Date occurs in respect of a Participant after the original Vesting Date then any unvested RSUs in the Participant's Account effective as of the Forfeiture Date that would have vested as of the original Vesting Date but for the Black-Out Period, shall be deemed to have vested immediately prior to the Forfeiture Date, but, subject to subparagraph (i), the Award Value of any such-vested RSUs shall be determined as of the Vesting Date as so extended by the provisions above, and any payment thereof shall be made only after such determination. If the Expiry Date occurs and as a result of the previous sentence of this paragraph the Vesting Date will occur while a Black-Out Period is still in effect, then the Corporation shall pay the Participant the entire Award Value of the vested RSUs in cash (and not Shares) and, for greater certainty, the Corporation shall not have any right to pay the Award Value in whole or in part in Shares notwithstanding any other provision of this Plan or any RSU Agreement.

This Plan does not confer upon a Participant any right with respect to continuation of employment by or service provision to any of the entities comprising the Athabasca Group, nor does it interfere in any way with the right of the Participant or any of the entities comprising the Athabasca Group to terminate the Participant's employment or service provision at any time.

4.6 Payment in Respect of RSUs

On the Vesting Date, the Corporation, at its sole and absolute discretion, shall have the option of settling the Award Value payable in respect of an RSU by any of the following methods or by a combination of such methods:

- (a) payment in cash;
- (b) payment in Shares acquired by the Corporation on the Exchange; or
- (c) payment in Shares issued from the treasury of the Corporation.

The Corporation shall not determine whether the payment method shall take the form of cash or Shares until the Vesting Date, or some reasonable time prior thereto. A holder of RSUs shall not have any right to demand, be paid in, or receive Shares in respect of the Award Value underlying any RSU at any time. Notwithstanding any election by the Corporation to settle the Award Value of any vested RSUs, or portion thereof, in Shares, the Corporation reserves the right to change its election in respect thereof at any time up until payment is actually made,

and the holder of such vested RSUs shall not have the right, at any time to enforce settlement in the form of Shares of the Corporation.

Any amount payable to a Participant in respect of vested RSUs shall be paid to the Participant as soon as practicable following the Vesting Date and in any event within thirty (30) days of the Vesting Date (provided that any amount payable with respect to a Vesting Date that occurs after the Forfeiture, but before the RSU has terminated in accordance with an applicable provision of Section 4.6, must occur not later than the Expiry Date) and the Corporation shall withhold from any such amount payable all amounts as may be required by law and in the manner contemplated by Section 2.8 hereof.

Where the Corporation elects to pay any amounts pursuant to vested RSUs by issuing Shares, and the determination of the number of Shares to be delivered to a Participant in respect of a particular Vesting Date would result in the issuance of a fractional Share, the number of Shares deliverable on the Vesting Date shall be rounded down to the next whole number of Shares. No certificates representing fractional Shares shall be delivered pursuant to this Plan nor shall any cash amount be paid at any time in lieu of any such fractional interest.

ARTICLE V EFFECT OF CORPORATE EVENTS

5.1 Alterations in Shares

In the event:

- (a) of any change in the Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; or
- (b) that any rights are granted to all or substantially all shareholders to purchase Shares at prices substantially below Fair Market Value; or
- (c) that, as a result of any recapitalization, merger, consolidation or other transaction, the Shares are converted into or exchangeable for any other securities or property;

then the Board may make such adjustments to this Plan, to any RSUs and to any RSU Agreements outstanding under this Plan as the Board may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of amounts to be paid to Participants hereunder.

5.2 Merger and Sale, etc.

Except in the case of a transaction that is a Change of Control and to which Section 5.3 applies, if the Corporation enters into any transaction or series of transactions whereby the Corporation or All or Substantially All of the Assets would

become the property of any other trust, body corporate, partnership or other person (a “**Successor**”), whether by way of takeover bid, acquisition, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, prior to or contemporaneously with the consummation of such transaction the Corporation and the Successor will execute such instruments and do such things as the Board or the Committee may determine are necessary to establish that upon the consummation of such transaction the Successor will assume the covenants and obligations of the Corporation under this Plan and the RSU Agreements outstanding on consummation of such transaction. Any such Successor shall succeed to, and be substituted for, and may exercise every right and power of the Corporation under this Plan and RSU Agreements with the same effect as though the Successor had been named as the Corporation herein and therein and thereafter, the Corporation shall be relieved of all obligations and covenants under this Plan and such RSU Agreements and the obligation of the Corporation to the Participants in respect of the RSUs shall terminate and be at an end and the Participants shall cease to have any further rights in respect thereof including, without limitation, any right to acquire Shares upon vesting of the RSUs.

5.3 Change of Control

Notwithstanding any other provision in this Plan but subject to any provision to the contrary contained in an RSU Agreement or other written agreement (such as an agreement of employment) between the Corporation and a Participant, if there takes place a Change of Control, all issued and outstanding RSUs shall vest (whether or not then vested) and the Vesting Date shall be the date which is immediately prior to the time such Change of Control takes place, or at such earlier time as may be established by the Board or the Committee, in its absolute discretion, prior to the time such Change of Control takes place.

ARTICLE VI GENERAL

6.1 Compliance with Laws

The Corporation, in its sole discretion, may postpone the issuance or delivery of any Shares that it elects to issue pursuant to any RSU to such date as the Committee may consider appropriate, and may require any Participant to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Shares in compliance with applicable laws, rules and regulations, except that in no event may the issuance of such Shares occur after the Expiry Date. The Corporation shall not be required to qualify for resale pursuant to a prospectus or similar document any Shares that it elects to issue pursuant to the Plan, provided that, if required, the Corporation shall notify the Exchange and any other appropriate regulatory bodies in Canada and the United

States of the existence of the Plan and the granting of RSUs hereunder in accordance with any such requirements.

Notwithstanding anything provided herein, the issuance of any Shares in respect of the Award Value of any vested RSUs granted herein shall be subject to and shall not be made unless approved by the TSX and approved by shareholders in accordance with the requirements of the TSX. For greater certainty, prior to receipt of such approval, the Corporation shall only be permitted to pay the Award Value for vested RSUs in cash or by the payment in Shares acquired by the Corporation on the Exchange.

6.2 RSUs to Companies

The provisions herein in respect of the grant of RSUs shall apply, with appropriate modifications, to the grant of RSUs to a company either: (i) wholly-owned by any person to whom RSUs may otherwise be granted hereunder; or (ii) controlled by any person to whom RSUs may otherwise be granted hereunder (and the shares of which are held directly or indirectly by any such person and such person's spouse, minor children and/or minor grandchildren); subject to any requirements of any applicable regulatory authority having jurisdiction.

6.3 General Restrictions and Assignment

Except as required by law, the rights of a Participant hereunder are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

The rights and obligations hereunder may be assigned by the Corporation to a Successor to the business of the Corporation.

6.4 Market Fluctuations

No amount will be paid to, or in respect of, a Participant under this Plan to compensate for a downward fluctuation in the price of Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

The Corporation makes no representations or warranties to Participants with respect to this Plan or the RSUs whatsoever.

Participants are expressly advised that the value of any RSUs and Shares under this Plan will fluctuate as the trading price of Shares fluctuates.

In seeking the benefits of participation in this Plan, a Participant agrees to exclusively accept all risks associated with a decline in the market price of Shares and all other risks associated with the holding of RSUs.

6.5 No Shareholder Rights

Until Shares have actually been issued and delivered should the Corporation elect to so issue Shares in accordance with the terms of the Plan, a Participant to whom RSUs have been granted shall not possess any incidents of ownership of such Shares including, for greater certainty and without limitation, the right to receive dividends, if any, on such Shares and the right to exercise voting rights in respect of such Shares.

6.6 Governing Law

The validity, construction and effect of this Plan and any actions taken or relating to this Plan shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein.

6.7 Currency

All amounts paid or values to be determined under this Plan shall be in Canadian dollars.

6.8 Severability

The invalidity or unenforceability of any provision of this document shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this document.

6.9 Effective Time

This Plan shall be effective as of March 11, 2015.

Appendix B

ATHABASCA OIL CORPORATION STOCK OPTION PLAN

1. Purpose of Plan

The purpose of this plan is to aid in attracting, retaining and motivating the officers, directors, employees and other eligible Service Providers of the Athabasca Group in the growth and development of the Athabasca Group by providing them with the opportunity through Options to acquire an increased proprietary interest in the Corporation.

2. Administration

The Plan shall be administered by the Committee pursuant to any rules of procedure that may be fixed by the Board.

3. Granting of Options

The Committee may from time to time designate officers, directors and employees of, and other eligible Service Providers to, the Athabasca Group to whom Options may be granted and the number of Common Shares to be optioned to each, provided that the number of Common Shares to be optioned shall not exceed the limitations provided in Article 4 hereof.

4. Limitations to the Plan

Notwithstanding any other provision of the Plan:

- (a) the maximum number of Common Shares issuable on exercise of outstanding Options at any time shall be limited to 10.0% of the aggregate number of issued and outstanding Common Shares, less the number of Common Shares issuable pursuant to all other Security Based Compensation Arrangements;
- (b) the number of Common Shares reserved for issuance to any one Optionee under all Security Based Compensation Arrangements will not exceed 5.0% of the issued and outstanding Common Shares;
- (c) the number of Common Shares issuable to Insiders, at any time, under all Security Based Compensation Arrangements, shall not exceed 10.0% of the issued and outstanding Common Shares;
- (d) the number of Common Shares issued to Insiders, within any one year period, under all Security Based Compensation Arrangements, shall not exceed 10.0% of the issued and outstanding Common Shares; and
- (e) the maximum number of Common Shares issuable on exercise of Options outstanding at any time held by directors of the Corporation who are not officers or employees of the Corporation shall be limited to 0.75% of the issued and outstanding Common Shares.

For the purposes of this Article 4, any increase in the issued and outstanding Common Shares (whether as a result of the exercise of Options or otherwise) will result in an increase in the number of Common Shares that may be issued on exercise of Options outstanding at any time and any increase in the number of Options granted will, upon exercise, make new grants available under the Plan.

Options that are cancelled, terminated or expire prior to the exercise of all or a portion thereof shall result in the Common Shares that were reserved for issuance thereunder being available for a subsequent grant of Options pursuant to this Plan to the extent of any Common Shares issuable thereunder that are not issued under such cancelled, terminated or expired Options.

5. Vesting

The Committee may, in its sole discretion, determine: (i) the time during which Options shall vest; (ii) the method of vesting; or (iii) that no vesting restriction shall exist. In the absence of any determination by the Committee to the contrary, Options will vest and be exercisable as to one-quarter (1/4) of the total number of Common Shares subject to the Options on each of the first, second, third and fourth anniversaries of the date of grant (computed in each case to the nearest whole Common Share). Notwithstanding the foregoing, the Committee may, at its sole discretion at any time or in the Option Agreement in respect of any Options granted, accelerate or provide for the acceleration of vesting of Options previously granted.

6. Option Price

The exercise price of Options granted under the Plan shall be fixed by the Committee when such Options are granted, provided that the exercise price of Options shall not be less than the Market Price of the Common Shares at the time an Option is granted (or such other minimum price as may be required by the stock exchange on which the Common Shares are listed at the time of grant).

7. Option Terms

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring or permitting acceleration of rights of exercise or the extension of the exercise period, be such period, not in excess of seven (7) years, as may be determined from time to time by the Committee, but subject to the rules of any stock exchange or other regulatory body having jurisdiction, and in the absence of any determination to the contrary will be seven (7) years from the date of grant. Each Option shall, among

other things, contain provisions to the effect that the Option shall be personal to the Optionee and shall not be assignable. In addition, unless the Corporation and an Optionee agree otherwise in an Option Agreement or other written agreement (such as an agreement of employment), each Option shall provide that:

- (a) upon the death of the Optionee, the Option shall terminate on the date determined by the Committee which shall not be more than twelve (12) months from the date of death and, in the absence of any determination to the contrary, will be twelve (12) months from the date of death;
- (b) if the Optionee shall no longer be a director or officer of or be in the employ of, or consultant or other Service Provider to, any of the entities comprising the Athabasca Group (other than by reason of death or termination for cause), the Option shall terminate on the expiry of the period not in excess of six (6) months as prescribed by the Committee at the time of grant, following the date that the Optionee ceases to be a director or officer of, or an employee of or a consultant or other Service Provider to, any of the entities comprising the Athabasca Group and, in the absence of any determination to the contrary, will terminate ninety (90) days following the date that the Optionee ceases to be a director or officer of, or an employee of or a consultant or other Service Provider to, any of the entities comprising the Athabasca Group;
- (c) if the Optionee shall no longer be a director or officer of or be in the employ of, or consultant or other Service Provider to, any of the entities comprising the Athabasca Group by reason of termination for cause, the Option shall terminate immediately on such termination for cause (whether notice of such termination occurs verbally or in writing);

provided that the number of Common Shares that the Optionee (or his or her heirs or successors) shall be entitled to purchase until such date of termination: (i) shall in the case of death of the Optionee, be all of the Common Shares that may be acquired on exercise of the Options held by such Optionee (or his or her heirs or successors) whether or not previously vested, and the vesting of all such Options shall be accelerated on the date of death for such purpose; and (ii) in any case other than death or termination for cause, shall be the number of Common Shares which the Optionee was entitled to purchase on the date the Optionee ceased to be an officer, director, employee, consultant or other Service Provider, as the case may be.

If any Options may not be exercised due to any Black-Out Period at any time within the three business day period prior to the normal expiry date of such Options (the “**Restricted Options**”), the expiry date of all Restricted Options shall be extended for a period of seven business days following the end of the Black-Out Period (or such longer period as permitted by the Exchange and approved by the Committee).

The Plan does not confer upon an Optionee any right with respect to continuation of employment by or service provision to any of the entities comprising the Athabasca Group, nor does it interfere in any way with the right of the Optionee or any of the entities comprising the Athabasca Group to terminate the Optionee’s employment or service provision at any time.

8. Exercise of Option

Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its head office in Calgary, Alberta or such other place as may be specified by the Corporation, of a written notice of exercise specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Common Shares then being purchased.

9. Surrender Offer

An Optionee may make an offer (the “**Surrender Offer**”) to the Corporation, at any time, for the disposition and surrender by the Optionee to the Corporation (and the termination thereof) of any of the Options granted hereunder for an amount (not to exceed the Fair Market Value of the Common Shares less the exercise price of the Options) specified in the Surrender Offer by the Optionee, and the Corporation may, but is not obligated to, accept the Surrender Offer, subject to any regulatory approval required. If the Surrender Offer, either as made or as renegotiated, is accepted, the Options in respect of which the Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the Optionee any further rights thereunder upon payment of the amount of the agreed Surrender Offer by the Corporation to the Optionee.

10. Alterations in Shares

In the event:

- (a) of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; or
- (b) that any rights are granted to all or substantially all shareholders to purchase Common Shares at prices substantially below Fair Market Value; or
- (c) that, as a result of any recapitalization, merger, consolidation or other transaction, the Common Shares are converted into or exchangeable for any other securities or property;

then the Board may make such adjustments to the Plan, to any Options and to any Option Agreements outstanding under the Plan, and make such amendments to any Option Agreements outstanding under the Plan, as the Board may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to Optionees

hereunder and/or to provide for the Optionees to receive and accept such other securities or property in lieu of Common Shares, and the Optionees shall be bound by any such determination.

If at any time while the Corporation is a “Canadian controlled private corporation” for purposes of the *Income Tax Act* (Canada), the Corporation fixes a date (the “record date”) for determination of holders of the Common Shares entitled to receive a distribution to all or substantially all the holders of the Common Shares of cash or other assets, then the exercise price of any Options outstanding on the record date will be adjusted on such record date, and the Board may make such amendments to any Option Agreements outstanding under the Plan to give effect thereto, effective at the same time on such record date as the time (the “record time”) at which the holders of Common Shares entitled to receive such distribution are determined, so that it will equal the price determined by deducting the per Common Share cash amount or per Common Share fair market value (as determined by the Board, which determination shall be conclusive) of such other assets, as the case may be, so distributed from the exercise price in effect at such record time; to the extent that such distribution is not so made, the exercise price will then be readjusted to the exercise price which would then be in effect if such record date had not been fixed or to the exercise price which would then be in effect based upon such cash or assets actually distributed, as the case may be. For greater certainty, in providing for the foregoing adjustment(s) to the exercise price, it is the intention of the Corporation and the Board that the total value of the Common Shares subject to the Option immediately after the adjustment, less the total amount payable by the holder to acquire such Common Shares immediately after the adjustment (such difference being the “**Post-Adjustment In-the-Money-Amount**”) shall not exceed the total value of the Common Shares subject to the Option immediately prior to the adjustment, less the total amount payable by the holder to acquire the Common Shares immediately prior to the adjustment (the such difference being the “**Pre-Adjustment In-the-Money-Amount**”). If the Post-Adjustment In-the-Money-Amount exceeds the Pre-Adjustment In-the-Money-Amount then the exercise price will be readjusted to the exercise price which would result in the Post-Adjustment In-the-Money-Amount being equal to the Pre-Adjustment In-the-Money-Amount. After the Corporation ceases to be a “Canadian controlled private corporation”, if the Corporation fixes a record date for a distribution to all or substantially all the holders of the Common Shares of cash or other assets (other than a dividend in the ordinary course of business), the Board may, in its sole discretion, but for greater certainty shall not be required to, make similar adjustments to the exercise price of any Options outstanding on the record date for such distribution and make such amendments to any Option Agreements outstanding under the Plan to give effect thereto, as the Board may, in its sole discretion, consider appropriate in the circumstances.

11. Merger and Sale, etc.

Except in the case of a transaction that is a Change of Control and to which Article 12 applies, if the Corporation enters into any transaction or series of transactions whereby the Corporation or All or Substantially All of the Assets would become the property of any other trust, body corporate, partnership or other person (a “**Successor**”), whether by way of takeover bid, acquisition, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, prior to or contemporaneously with the consummation of such transaction the Corporation and the Successor will execute such instruments and do such things as the Committee may determine are necessary to establish that upon the consummation of such transaction the Successor will assume the covenants and obligations of the Corporation under this Plan and the Option Agreements outstanding on consummation of such transaction. Any such Successor shall succeed to, and be substituted for, and may exercise every right and power of the Corporation under this Plan and Option Agreements with the same effect as though the Successor had been named as the Corporation herein and therein and thereafter, the Corporation shall be relieved of all obligations and covenants under this Plan and such Option Agreements and the obligation of the Corporation to the Optionees in respect of the Options shall terminate and be at an end and the Optionees shall cease to have any further rights in respect thereof including, without limitation, any right to acquire Common Shares upon vesting of the Options.

12. Acceleration of Vesting

Notwithstanding any other provision in this Plan, but subject to any provision to the contrary contained in an Option Agreement or other written agreement (such as an agreement of employment) between the Corporation and an Optionee, if there takes place a Change of Control, all issued and outstanding Options shall be exercisable (whether or not then vested) immediately prior to the time such Change of Control takes place and shall terminate on the 90th day after the occurrence of such Change of Control, or at such earlier time as may be established by the Board, in its absolute discretion, prior to the time such Change of Control takes place.

13. No Rights as a Shareholder

An Optionee shall not have any of the rights or privileges of a shareholder of the Corporation in respect of any Common Shares issuable upon exercise of an Option until certificates representing such Common Shares have been issued and delivered.

14. Regulatory Authorities Approvals

The Plan shall be subject to the approval, if required, of any stock exchange on which the Common Shares are listed for trading. Any Options granted prior to receipt of such approval and after

listing on any such stock exchange shall be conditional upon such approval being given and no such Options may be exercised unless such approval, if required, is given.

15. Options to Companies

The provisions herein in respect of the grant of Options shall apply, with appropriate modifications, to the grant of Options to a company either: (i) wholly-owned by any person to whom Options may otherwise be granted hereunder; or (ii) controlled by any person to whom Options may otherwise be granted hereunder (and the shares of which are held directly or indirectly by any such person and such person's spouse, minor children and/or minor grandchildren); subject to any requirements of any applicable regulatory authority having jurisdiction.

16. Option Agreements

A written agreement (an **"Option Agreement"**) will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which Option Agreement will set out the number of Common Shares subject to Option, the exercise price, the vesting dates, circumstances when vesting of Options may be accelerated, the expiry date and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The Option Agreement will be in such form as the Committee may from time to time approve or authorize the officers of the Corporation to enter into 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 person to whom the Option is granted may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation. Such Option Agreements may also contain such other provisions as the Committee may determine. Until determined otherwise by the Committee, Option Agreements shall be substantially in the form attached as Schedule "A" hereto.

17. Amendment or Discontinuance of the Plan

The Board may amend or discontinue the Plan at any time without the consent of an Optionee, provided that such amendment shall not adversely alter or impair any Option previously granted under the Plan or any related Option Agreement, except as otherwise permitted hereunder. In addition, the Board may, by resolution, amend this Plan and any Option granted under it (together with any related Option Agreement) without shareholder approval, provided however, that at any time while the Shares are listed for trading on the TSX the Board will not be entitled to amend the Plan or any Option granted under it without shareholder and, if applicable, TSX approval: (i) to increase the maximum number of Common Shares issuable pursuant to the Plan; (ii) to reduce the exercise price of an Option or cancel an Option and subsequently issue

the holder of such Option a new Option in replacement thereof; (iii) to extend the term of an Option; (iv) to permit the assignment or transfer of an Option other than as provided for in this Plan; (v) to add to the categories of persons eligible to participate in this Plan; (vi) to remove or amend Section 4(c), Section 4(d) or Section 4(e) of this Plan; (vii) to remove or amend this Section 17; or (viii) in any other circumstances where TSX and shareholder approval is required by the TSX.

18. Defined Terms

Where used herein, the following terms shall have the following meanings, respectively:

- (a) **"All or Substantially All of the Assets"** means greater than 90% of the aggregate of the net working interest reserves and best estimate contingent resources of the Corporation and its Subsidiaries, on a consolidated basis;
- (b) **"Athabasca Group"** means, collectively, the Corporation, AOSC MacKay Corp., AOSC (MacKay) Energy Inc., MacKay Operating Corporation, AOSC Dover Corp., AOSC (Dover) Energy Inc., Dover Operating Corporation, AOSC Dover West Ltd., AOSC Dover West Partnership, AOSC Grosmont Corp., AOSC Grosmont Partnership, AOSC Carbonates Corp., AOSC Carbonates Partnership, AOSC Hangingstone Corp., AOSC Hangingstone Partnership, AOSC Birch Corp., AOSC Birch Partnership, Black Rain Exploration and Production Inc., any entity that is a Subsidiary of the Corporation from time to time, and any other entity designated by the Board from time to time as a member of the Athabasca Group for the purposes of this Plan (and, for greater certainty, including any successor entity of any of the aforementioned entities);
- (c) **"Black-Out Period"** means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option;
- (d) **"Board"** means the board of directors of the Corporation as constituted from time to time;
- (e) **"business day"** means a day other than a Saturday, Sunday or other day when banks in the City of Calgary, Alberta are generally not open for business;
- (f) **"Change of Control"** means:
 - (i) a successful takeover bid; or
 - (ii) (A) any change in the beneficial ownership or control of the outstanding securities or other interests of the Corporation which results in:
 - (I) a person or group of persons "acting jointly or in concert" (within the meaning of MI 62-104); or

- (II) an affiliate or associate of such person or group of persons;
holding, owning or controlling, directly or indirectly, more than 50% of the outstanding voting securities or interests of the Corporation; and
- (B) members of the Board who are members of the Board immediately prior to the earlier of such change and the first public announcement of such change cease to constitute a majority of the Board at any time within sixty days of such change; or
- (iii) Incumbent Directors no longer constituting a majority of the Board; or
- (iv) the winding up of the Corporation or the sale, lease or transfer of All or Substantially All of the Assets to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of the Corporation is continued and where the shareholdings or other securityholdings, as the case may be, in the continuing entity and the constitution of the board of directors or similar body of the continuing entity is such that the transaction would not be considered a "Change of Control" if paragraph (f)(ii) above was applicable to the transaction); or
- (v) any determination by a majority of the Board that a Change of Control has occurred or is about to occur and any such determination shall be binding and conclusive for all purposes of the Plan;
- (g) **"Common Shares"** means the common shares of the Corporation or, in the event of an adjustment contemplated by Article 10 hereof, such other Common Shares to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment;
- (h) **"Committee"** means a committee of the Board appointed from time to time by the Board to administer the Plan or, if no such committee is appointed, the Board;
- (i) **"Corporation"** means Athabasca Oil Corporation, and includes any successor corporation thereof;
- (j) **"Exchange"** means the TSX or, if the Common Shares are not then listed and posted for trading on the TSX, such stock exchange on which such Common Shares are listed and posted for trading as may be selected for such purpose by the Board;
- (k) **"Fair Market Value"** with respect to a Common Share, as at any date, means the weighted average of the prices at which the Common Shares traded on the TSX (or, if the Common Shares are not then listed and posted for trading on the TSX or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the majority of the trading volume and value of the Common Shares occurs) for the five (5) trading days on which the Common Shares traded on the said exchange immediately preceding such date. In the event that the Common Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Common Shares as determined by the Board in its sole discretion, acting reasonably and in good faith;
- (l) **"Incumbent Directors"** means any member of the Board who was a member of the Board at the effective date of the Plan and any successor to an Incumbent Director who was recommended or elected or appointed to succeed any Incumbent Director by the affirmative vote of the Board, including a majority of the Incumbent Directors then on the Board, prior to the occurrence of the transaction, transactions, elections or appointments giving rise to a Change of Control;
- (m) **"Insider", "associate" and "affiliate"** each have the meaning ascribed thereto in Part I of the Company Manual of the TSX, as amended from time to time;
- (n) **"Market Price"** means: (i) prior to the date of any preliminary initial public offering prospectus of the Corporation, such price as is determined by the Board in its sole discretion, acting reasonably and in good faith; (ii) on and after the date of any preliminary initial public offering prospectus of the Corporation and up to and including the closing date of any such initial public offering, the initial public offering price of the Common Shares as set forth in the final prospectus of the Corporation; and (iii) following the closing date of any such initial public offering, the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the time of grant, calculated by dividing the total value by the total volume of Common Shares traded for the five trading-day period.
- (o) **"MI 62-104"** means Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*, as amended from time to time;
- (p) **"Option"** means an option to purchase Common Shares granted pursuant to the provisions hereof;
- (q) **"Option Agreement"** has the meaning ascribed thereto in Article 16 hereof;
- (r) **"Optionees"** means persons to whom Options are granted and which Options, or a portion thereof, remain unexercised;
- (s) **"Plan"** means this share option plan of the Corporation, as the same may be amended or varied from time to time;
- (t) **"Security Based Compensation Arrangements"** has the meaning ascribed thereto in Part VI of the Company Manual of the TSX, as amended from time to time;

- (u) **“Service Provider”** means a director, officer or employee of, or a person or company engaged by, one or more of the entities comprising the Athabasca Group to provide services for an initial, renewable or extended period intended to be twelve months or more;
- (v) **“Subsidiary”** has the meaning ascribed there in the *Securities Act* (Alberta);
- (w) **“takeover bid”** means a “take-over bid” as defined in MI 62-104, pursuant to which the “offeror” would as a result of

such takeover bid, if successful, beneficially own, directly or indirectly, in excess of 50% of the outstanding Common Shares; and

- (x) **“TSX”** means the Toronto Stock Exchange.

19. Effective Time

This Plan shall be effective as of September 1, 2009.

Revised: Effective May 8, 2014

SCHEDULE "A"

FORM OF STOCK OPTION AGREEMENT

MEMORANDUM OF AGREEMENT made as of the • day of •, 20••.

BETWEEN:

ATHABASCA OIL CORPORATION, a body corporate incorporated pursuant to the laws of Alberta, having an office in the City of Calgary, in the Province of Alberta (the "**Corporation**")

OF THE FIRST PART

AND

•, an individual resident in the City of •, in the • of • (the "**Optionee**")

OF THE SECOND PART

WHEREAS the Corporation has established a stock option plan (the "**Plan**");

AND WHEREAS the board of directors of the Corporation (the "**Board**") has determined that options to purchase common shares of the Corporation pursuant to the Plan be granted to the Optionee as hereinafter provided for;

NOW THEREFORE in consideration of the services provided and to be provided by the Optionee to one or more of the entities comprising the Athabasca Group, THIS AGREEMENT WITNESSES and it is understood and agreed by and between the parties hereto as follows:

20. Grant of Option

Subject to the provisions hereinafter contained, the Corporation gives and grants to the Optionee options irrevocable unless otherwise terminated under the provisions of this Agreement or the Plan up to and including [Expiry Date] (the "**Expiration Date**") to purchase [Total Awards] common shares of the Corporation (the "**Optioned Shares**"), as presently constituted, at a price of [Grant Price] per share on the following basis, namely:

- (a) one-third (1/3) of the Optioned Shares (rounded to the nearest full share) (the "**First Vesting Amount**") shall vest in the Optionee on April 1, 2018 (the "**First Vesting Date**") and shall be exercisable thereafter on the terms and conditions set forth herein;
- (b) one-third (1/3) of the Optioned Shares (rounded to the nearest full share) the "**Second Vesting Amount**" shall vest in the Optionee on April 1, 2019 (the "**Second Vesting Date**") and shall be exercisable thereafter on the terms and conditions set forth herein; and

- (c) the remaining balance of the Optioned Shares shall vest in the Optionee on April 1, 2020 (the "**Third Vesting Amount**") (the "**Third Vesting Date**") and shall be exercisable thereafter on the terms and conditions set forth herein.

21. Periods of Absence

- (a) For the purposes of this Section 2:
 - (i) "**Period of Absence**" means the portion of a continuous absence from active employment or active service with Athabasca or any entity comprising the Athabasca Group, as a result of a sick, disability, maternity or parental leave or any other form of leave approved by the Corporation, in each case that is in excess of the first 90 consecutive calendar days of such absence.
 - (ii) "**Pro-rata Fraction**" means the fractional number that is equal to the number of calendar months of the Period of Absence occurring within a Vesting Period (rounded to the nearest whole month) divided by the number of months within the Vesting Period.
 - (iii) "**Target Vesting Amount**" means, as applicable, any of the First Vesting Amount, the Second Vesting Amount or the Third Vesting Amount.
 - (iv) "**Vesting Period**" means, as applicable, the number of months between: (A) the Grant Date and the First Vesting Date; (B) the First Vesting Date and the Second Vesting Date; or (C) the Second Vesting Date and the Third Vesting Date.
- (b) Notwithstanding anything contained herein to the contrary, if the Optionee experiences a Period of Absence, then:
 - (i) the number of Optioned Shares (rounded to the nearest whole unit) that shall vest on a Vesting Date that occurs after the start of the Period of Absence shall be equal to (A) the Target Vesting Amount for the Vesting Period ending on such Vesting Date, less (B) an amount equal to such Target Vesting Amount multiplied by the Pro-Rata Fraction for such Vesting Period (the "**Reduced Vested Optioned Shares**"); and
 - (ii) all remaining Optioned Shares in the Target Vesting Amount for such Vesting Period shall be forfeited by the Grantee as of such Vesting Date;

provided however, that where a Optionee's Period of Absence ends due to the death of the Optionee, this subsection 2(b) shall not apply to any unvested

Optioned Shares that are deemed to have vested on the date of the Optionee's death in accordance with section 7 of the Plan.

22. Term of Option

This option shall wholly terminate at the Expiration Date with respect to any Optioned Shares that have not been purchased hereunder by that date.

23. Manner of Exercise

This option shall be exercised by notice in writing given by the Optionee to the Corporation at its address for notice set out in Section 11 hereof (as changed from time to time thereunder), specifying the number of Optioned Shares in respect of which it is exercised and accompanied by payment in cash or certified cheque for the purchase price of all of the Optioned Shares specified in such notice, calculated in accordance with Section 1 hereof. As soon as practicable following receipt of the notice and payment as aforesaid, the Corporation shall cause to be issued in the name of the Optionee a certificate representing the Optioned Shares in respect of which the option shall have been exercised.

24. Cessation of Employment, Service or Office

In the event of the Optionee ceasing to be a director, officer, employee of, or consultant or other Service Provider to, any of the entities comprising the Athabasca Group (other than by reason of death or termination for cause), this option shall terminate and become null and void as to any Optioned Shares not taken up and paid for pursuant hereto on the date (the "**Cessation Termination Date**") which is the first to occur of:

- (a) the expiration of 90 days following the date of termination or resignation; and
- (b) the Expiration Date;

provided that the number of Optioned Shares that the Optionee shall be entitled to purchase until the Cessation Termination Date shall be the number of Optioned Shares which the Optionee was entitled to purchase on the date the Optionee ceased to be a director, officer or employee of, or consultant or other Service Provider to, any of the entities comprising the Athabasca Group. Notwithstanding the foregoing, if the Optionee shall no longer be a director, officer or employee of, or consultant or other Service Provider to, any of the entities comprising the Athabasca Group by reason of termination for cause, the Option shall terminate immediately on such termination for cause (whether notice of such termination occurs verbally or in writing).

25. Death of Optionee

In the event of the death of the Optionee during the term of this option while the Optionee is still in the service of any of the

entities comprising the Athabasca Group, this option shall terminate and become null and void as to any Optioned Shares not taken up and paid for pursuant hereto on the date (the "**Death Termination Date**") which is the first to occur of:

- (a) the expiration of twelve (12) months following the date of death; or
- (b) the Expiration Date;

provided that the number of Optioned Shares that the Optionee's legal personal representative shall be entitled to purchase until the Death Termination Date shall be all of the Optioned Shares that may be acquired on exercise of the option held by such Optionee whether or not previously vested, and the vesting of such option shall be accelerated on the date of death for such purpose.

26. Change of Control

If there takes place a Change of Control:

- (a) **Termination of Employment or Service; Acceleration of Vesting** – if the Optionee is notified in writing by the Corporation making reference to this Section prior to the time such Change of Control takes place that the Optionee's employment with the Corporation will terminate within 30 days of the date such Change of Control takes place, then, notwithstanding any other provision in the Plan or this Agreement, this option shall be exercisable in respect of all Optioned Shares (whether or not then vested) immediately prior to and shall terminate on the 90th day after the occurrence of such Change of Control, or at such earlier time as may be established by the Board, in its absolute discretion, prior to the time such Change of Control takes place; and
- (b) **Continued Employment or Service; No Acceleration of Vesting** – if the Optionee is not provided with the notice contemplated by Section 7(a), then, notwithstanding any other provision in the Plan or this Agreement, the vesting of Optioned Shares subject to this option not previously vested shall not be accelerated as a result of the Change of Control, and this option shall terminate and become null and void as to any Optioned Shares not taken up and paid for pursuant hereto at the time which is the first to occur of: (i) the time such Change of Control takes place; (ii) the Expiration Date; (iii) the Cessation Termination Date; or (iv) the Death Termination Date.

27. Assignment

This option shall not be assignable by the Optionee either in whole or in part and, upon any purported assignment being made in contravention of the terms hereof, this option shall become null and void and be of no further force or effect.

28. Enurement

Except as otherwise set forth herein, this Agreement shall be binding upon and enure to the benefit of the heirs, executors, administrators and successors of the Optionee and of the Corporation, respectively.

29. Time

Time shall be of the essence of this Agreement.

30. Notice

All notices required or allowed to be given under this Agreement shall be made either personally or by mailing the same by prepaid registered post to:

The Optionee:	[Participant Details]
The Corporation:	Suite 1200, 215 – 9 th Avenue S.W. Calgary, Alberta T2P 1K3

Notices delivered personally shall be deemed to be received on the day of delivery, Saturdays, Sundays and statutory holidays excepted; notices given by mail shall be deemed to have been received by the addressee on the fourth business day following the date of mailing. Either party may change its address for notice hereunder in the above manner.

31. Obligation to Purchase

Nothing herein contained or done pursuant hereto shall obligate the Optionee to purchase and/or pay for any Optioned Shares except those Optioned Shares in respect of which the Optionee shall have exercised the option to purchase in the manner hereinbefore provided.

32. Rights Prior to Exercise

The Optionee shall have no rights whatsoever as a shareholder in respect of any of the Optioned Shares subject to this Agreement (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of Optioned Shares in respect of which the Optionee shall have exercised the option to purchase hereunder and which the Optionee shall have actually taken up and paid for.

33. Agreement Subject to Plan

The Optionee acknowledges receipt of a copy of the Plan and hereby agrees that the terms and conditions of the Plan shall govern the Option granted hereby including, without limitation, all amendments to the Plan: (i) required by any applicable stock exchange or other regulatory authority; (ii) made by the Committee in accordance with the Plan; or (iii) otherwise consented to by the Optionee; and that this Agreement shall be deemed to be amended in accordance with any such amendments to the Plan. In the event of a conflict between the

terms of this Agreement and the Plan, the terms of the Plan shall govern. The Optionee acknowledges that it has read and understands the provisions of the Plan. Capitalized words and phrases used herein but not defined herein have the meanings set forth in the Plan.

34. Regulatory Approvals

This Agreement shall not become effective and none of the Optioned Shares shall be issued until the approval of any stock exchange on which the Corporation's common shares are traded is obtained with respect to the granting of the option provided for herein and, if required by any such stock exchange, approval of the shareholders of the Corporation to the grant of this option or to the Plan is obtained. In the event that the approval of such stock exchange is not so obtained within a period as may be specified by the Committee or if shareholder approval is not so obtained, if required, at the next meeting of shareholders of the Corporation, this Agreement shall terminate and cease to be of any force or effect.

35. Cessation of Employment or Service

For the purposes of this Agreement, the Optionee shall be deemed to have ceased to be an employee of the Athabasca Group (or any one of the entities comprising such group), and the Optionee shall be deemed to have been terminated or resigned from employment, service or a consulting arrangement with the Athabasca Group (and each of the entities comprising such group) for the purposes hereof, on the first to occur of such termination or resignation or the date (as determined by the Committee) that the Optionee ceases in the active performance of all of the regular duties of the Optionee's job, which includes the carrying on of all of the usual and customary day to day duties of the job for the normal and scheduled number of hours in each working day; the foregoing to apply whether or not adequate or proper notice of termination shall have been provided by and to the Athabasca Group (or any one of the entities comprising such group) in respect of such termination of employment, service or consulting arrangement. For greater certainty, a transfer of the Optionee's employment, directorship or service from one member of the Athabasca Group to another member of the Athabasca Group shall not be deemed to be a cessation of employment, directorship or service for the purposes of this Agreement.

36. Employment by or Service to a Subsidiary

For purposes of this Agreement, reference herein to employment by, consulting or Service Provider to, or the directorship of, any member of the Athabasca Group of the Optionee shall be deemed to include employment by, consulting or Service Provider to, or the directorship of, any of such entity's Subsidiaries of the Optionee, as the context requires.

37. Tax Withholding

The Corporation shall have the power and the right to deduct or withhold, or require (as a condition of exercise) the Optionee to remit to the Corporation, the required amount to satisfy, in whole or in part, federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement, including the grant or exercise of options granted hereunder. With respect to required withholding, the Corporation shall have the irrevocable right to (and the Optionee consents to) the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the Optionee (whether arising pursuant to the Optionee's relationship as a director, officer or employee of the Corporation or as a result of the Optionee providing services on an ongoing basis to the Corporation or otherwise), or may make such other arrangements satisfactory to the Corporation in its sole discretion. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Optioned Shares as it

determines are required to be sold by the Corporation, as trustee, to satisfy the withholding obligation net of selling costs (which costs shall be the responsibility of the Optionee and which shall be and are authorized to be deducted from the proceeds of sale). The Optionee consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Optioned Shares and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Optioned Shares. Any reference in this Agreement to the issuance of Optioned Shares is expressly subject to this Section 18.

IN WITNESS WHEREOF the parties hereto have hereunto executed and delivered this Agreement as of the day and year first above written.

ATHABASCA OIL CORPORATION

[Signature]

Per: _____

CASH BONUS AGREEMENT

MEMORANDUM OF AGREEMENT (this “**Agreement**”) made as of
[Grant Date]

BETWEEN:

ATHABASCA OIL CORPORATION, a body corporate incorporated pursuant to the laws of Alberta, having an office in the City of Calgary, in the Province of Alberta (the “**Corporation**”)

OF THE FIRST PART

AND

[Participant Name], (the “**Service Provider**”)

OF THE SECOND PART

WHEREAS the Board has determined to provide an incentive to the Service Provider by the payment of a bonus to the Service Provider in certain circumstances and subject to the satisfaction of certain conditions as hereinafter provided;

NOW THEREFORE in consideration of the services provided and to be provided by the Service Provider to one or more of the entities comprising the Corporation Group, THIS AGREEMENT WITNESSES and it is understood and agreed by and between the parties hereto as follows:

1. Definitions

For the purposes of this Agreement, including the recitals hereto, the following terms shall have the following meanings, respectively:

- (a) “**Board**” means the board of directors of the Corporation, as constituted from time to time;
- (b) “**Bonus Vesting Dates**” means the date(s) on which the Unvested Option Shares were scheduled to vest pursuant to Section 1 of the Option Agreement;
- (c) “**Cash Bonus**” has the meaning given to that term in Section 2 herein;
- (d) “**Change of Control**” has the meaning given to that term in the Option Plan;
- (e) “**Change of Control Date**” means the date a Change of Control becomes effective;
- (f) “**Common Shares**” means common shares in the capital of the Corporation;
- (g) “**Corporation Group**” means, collectively, the Corporation, any entity that is a Subsidiary of the Corporation, and any other entity designated by the Board from time to time as a member of the Corporation Group (and, for greater certainty, including

Dover Operating Corp., and any successor entity of any of the aforementioned entities including a successor entity pursuant to a Change of Control);

- (h) “**Marginal Tax Rate**” means the ordinary rate of income tax charged on the Service Provider’s last dollar of income;
- (i) “**Option Agreement**” means the stock option agreement between the Service Provider and the Corporation dated [Grant Date] pursuant to which the Option was granted;
- (j) “**Option**” means the option to purchase [Total Awards] Common Shares pursuant to the Option Agreement;
- (k) “**Optioned Shares**” has the meaning given to that term in section 1 of the Option Agreement;
- (l) “**Option Plan**” means the stock option plan of the Corporation in effect as of the date hereof;
- (m) “**Subsidiary**” has the meaning given to that term in the *Securities Act* (Alberta);
- (n) “**Transaction**” has the meaning given to that term in Section 2; and
- (o) “**Unvested Optioned Shares**” has the meaning given to that term in Section 2.

2. Cash Bonus

If there is a Change of Control and:

- (a) the provisions of Section 7(b) of the Option Agreement are applicable to the Service Provider and on the termination of the Option Agreement pursuant to Section 7(b) of the Option Agreement any Optioned Shares remain unvested and unexercisable by the Service Provider (such Optioned Shares being referred to herein as the “**Unvested Optioned Shares**”), then the Service Provider shall be entitled to receive, on the date(s) provided below, and subject to the terms of this Agreement including Section 14, a cash amount (“**Cash Bonus**”) equal to $(A \times B) + C$ where:
 - (i) “**A**” equals the number of Unvested Optioned Shares;
 - (ii) “**B**” equals the difference, if positive, between the consideration per Common Share received by the holders of Common Shares pursuant to the transaction that constitutes a Change of Control (the “**Transaction**”) and the exercise price per Unvested Optioned Share as provided in the Option Agreement; and
 - (iii) “**C**” equals $\frac{(A \times B)}{2} \times \text{Marginal Tax Rate}$
1 - Marginal Tax Rate.

For purposes hereof “**consideration per Common Share**” means the total amount of cash paid per Common Share in the Transaction and the fair market value (on the date of payment), as determined by the Board in its sole discretion, of all other non-cash consideration, if any, paid per Common Share in the Transaction.

- (b) Subject to Section 3 and to termination of the Service Provider’s rights pursuant to Section 4 or earlier payment pursuant to Section 5, and provided the Service Provider has remained in the continuous employ or service of one or more members of the Corporation Group from the Change of Control Date until an applicable Bonus Vesting Date, the Corporation shall pay to the Service Provider on each such Bonus Vesting Date an amount equal to the Cash Bonus divided by the number of Bonus Vesting Dates (each such amount being a “**Vested Cash Bonus Amount**”), less required withholdings.

3. Periods of Absence

- (a) For the purposes of this Section 3:
 - (i) “**Period of Absence**” means the portion of a continuous absence from active employment or active service with the Corporation or any entity comprising the Corporation Group, as a result of a sick, disability, maternity or parental leave or any other form of leave approved by the Corporation, in each case that is in excess of the first 90 consecutive calendar days of such absence.
 - (ii) “**Pro-rata Fraction**” means the fractional number that is equal to the number of calendar months of the Period of Absence (rounded to the nearest whole month) occurring within a Vesting Period divided by the number of months (rounded to the nearest whole month) within that Vesting Period.
 - (iii) “**Vesting Date**” means, as applicable, the First Vesting Date, the Second Vesting Date or the Third Vesting Date, as these terms are defined in section 1 of the Option Agreement.
 - (iv) “**Vesting Period**” means, as applicable, the number of months between: (A) the last Vesting Date that occurred before the Change of Control and the first Bonus Vesting Date occurring after the Change of Control; or (B) two Bonus Vesting Dates.
- (b) Notwithstanding anything contained herein to the contrary, if the Service Provider experiences a Period of Absence, then:
 - (i) the amount of the Vested Cash Bonus Amount that shall be paid to a Service Provider on a Bonus

Vesting Date that occurs after the start of the Period of Absence shall be equal to (A) the Vested Cash Bonus Amount for the Vesting Period ending on such Bonus Vesting Date, less (B) an amount equal to the Vested Cash Bonus Amount multiplied by the Pro-Rata Fraction; and

- (ii) the balance of the Vested Cash Bonus for such Vesting Period shall be forfeited by the Service Provider as of such Bonus Vesting Date,

provided however, that where a Service Provider’s Period of Absence ends due to the death of the Service Provider, this subsection 3(b) shall not apply to any portion of the Cash Bonus payable on a Bonus Vesting Date that would have occurred after the date of the Service Provider’s death in accordance with section 7 of the Option Plan.

4. Cessation of Employment or Service; Cause, Resignation or Retirement

In the event of the Service Provider ceasing to be a Service Provider of, or consultant to, any of the entities comprising the Corporation Group by reason of termination of the Service Provider’s employment or service for cause or by reason of the resignation or retirement of the Service Provider, the Service Provider’s right to receive any Cash Bonus remaining unpaid on the date of cessation of employment, or service, shall terminate and become null and void.

5. Cessation of Employment or Service in Other Circumstances

In the event of the Service Provider ceasing to be a Service Provider of, or consultant to, any of the entities comprising the Corporation Group by reason of termination of the Service Provider’s employment for any reason other than as provided in Section 4, including, without limitation, by reason of the death of the Service Provider or the termination of the Service Provider’s employment other than for cause, any remaining Cash Bonus which has not previously been paid to the Service Provider pursuant to Section 2 or Section 3 shall be paid to the Service Provider within five business days of such cessation of employment or service, less required withholdings.

6. Assignment

This Agreement shall not be assignable by the Service Provider either in whole or in part and, upon any purported assignment being made in contravention of the terms hereof, this Agreement shall become null and void and be of no further force or effect.

7. Enurement

Except as otherwise set forth herein, this Agreement shall be binding upon and enure to the benefit of the heirs, executors, administrators and successors of the Service Provider and of the Corporation, respectively.

8. Time

Time shall be of the essence of this Agreement.

9. Notice

All notices required or allowed to be given under this Agreement shall be made either personally or by mailing the same by prepaid registered post to:

The Service Provider: [Participant Details]
 The Corporation: Suite 1200, 215 – 9th Avenue S.W.
 Calgary, Alberta T2P 1K3

Notices delivered personally shall be deemed to be received on the day of delivery, Saturdays, Sundays and statutory holidays excepted; notices given by mail shall be deemed to have been received by the addressee on the fourth business day following the date of mailing. Either party may change its address for notice hereunder in the above manner.

10. Entire Agreement

Except as specifically excepted herein, this Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. No amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby.

11. Choice of Law

This Agreement shall be governed and interpreted in accordance with the laws of the Province of Alberta and the courts of the Province of Alberta shall be the sole and proper forum with respect to any suits brought with respect to this Agreement.

12. Cessation of Employment or Service

For the purposes of this Agreement, the Service Provider shall be deemed to have ceased to be a Service Provider of the Corporation Group (or any one of the entities comprising such group), and the Service Provider shall be deemed to have been terminated or resigned from employment or a consulting arrangement with the Corporation Group (and each of the entities comprising such group) for the purposes hereof, on the first to occur of such termination or resignation or the date (as determined by the Board) that the Service Provider ceases in the active performance of all of the regular duties of the Service Provider's job, which includes the carrying on of all of the usual and customary day to day duties of the job for the normal and scheduled number of hours in each working day; the foregoing to apply whether or not adequate or proper notice of termination shall have been provided by and to the Corporation Group (or any one of the entities comprising such group) in respect of such

termination of employment or consulting arrangement. For greater certainty, a transfer of the Service Provider's employment or service from one member of the Corporation Group to another member of the Corporation Group shall not be deemed to be a cessation of employment, or service, for the purposes of this Agreement.

13. Service Provided to a Subsidiary

For purposes of this Agreement, reference herein to employment by, or consulting to, any member of the Corporation Group by the Service Provider shall be deemed to include employment by, service by, or consulting to, any of such entity's Subsidiaries of the Service Provider, as the context requires.

14. Tax Withholding

The Corporation shall have the power and the right to deduct or withhold, or require (as a condition of any payment to the Service Provider hereunder) the Service Provider to remit to the Corporation, the required amount to satisfy, in whole or in part, federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement, including the entering into of this Agreement or the vesting or payment of the Cash Bonus or any portion thereof hereunder. With respect to required withholding, the Corporation shall have the irrevocable right to (and the Service Provider consents to) the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the Service Provider (whether arising pursuant to the Service Provider's relationship as a director, officer or service provider of one or more of the entities comprising the Corporation Group, or as a result of the Service Provider providing services on an ongoing basis to the Corporation or otherwise), including the Cash Bonus, or may make such other arrangements satisfactory to the Corporation in its sole discretion. Any reference in this Agreement to a payment of cash, including the payment of the Cash Bonus, is expressly subject to this Section 14.

IN WITNESS WHEREOF the parties hereto have hereunto executed and delivered this Agreement as of the day and year first above written.

ATHABASCA OIL CORPORATION

Per: _____

To acknowledge your agreement and acceptance of the foregoing, please click the "Accept" button below.

Appendix C

ATHABASCA OIL CORPORATION SHAREHOLDER PROTECTION RIGHTS AGREEMENT

SUMMARY OF PRINCIPAL TERMS

The following is a summary of the principal terms of the 2018 Rights Plan which is qualified in its entirety by reference to the text of the 2018 Rights Plan which is available on the Corporation's website at www.atha.com.

Issue of Rights

Pursuant to the 2018 Rights Plan, one right (a "**Right**") is issued and attached to each outstanding Common Share subject to the limitations set forth in the 2018 Rights Plan.

The Rights are not exercisable prior to the Separation Time (as defined below). After the Separation Time, each Right entitles the registered holder thereof to purchase from the Corporation one Common Share at an exercise price equal to three times the market price of a Common Share determined as at the Separation Time in accordance with the provisions of the 2018 Rights Plan, subject to adjustment and certain anti-dilution provisions (the "**Exercise Price**"). If a Flip-in Event occurs (as described below), each Right will be adjusted and entitle the registered holder to receive, upon payment of the Exercise Price, Common Shares having an aggregate market value equal to twice the Exercise Price.

Rights Certificates and Transferability

Before the Separation Time, the Rights will be evidenced by the certificates for the Common Shares (or by the book entry form registration for the associated Common Share if issued in book entry form) and will be transferable only together with, and will be transferred by a transfer of, the associated Common Shares and will not be transferable separate from such shares. At the Separation Time, the Rights will separate from the associated Common Shares and, from and after such time, the Rights will be evidenced by separate certificates for the Rights (or separate book entry registration) which will be transferable and traded separately from the shares.

Separation Time

The "**Separation Time**" is the close of business on the tenth trading day after the earliest to occur of the (i) the "**Stock Acquisition Date**", which is the first date of public announcement of facts indicating that a person has become an Acquiring Person (as defined below); (ii) the date of the commencement of, or first public announcement of the intent of any person (other than the Corporation or a subsidiary thereof) to make a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, as each such term is defined below);

and (iii) the date on which a Permitted Bid or Competing Permitted Bid fails to qualify as such.

In any case, the Separation Time can be such later date determined by the Board. A "**Take-over Bid**" is an offer to acquire outstanding Common Shares and any other shares of the Corporation entitled to vote generally in the election of directors ("**Voting Shares**") of the Corporation or securities convertible into or exercisable or exchangeable for Voting Shares ("**Convertible Securities**") or both, where the securities subject to the offer, together with the securities "**Beneficially Owned**" (as defined below) by the person making the Take-over Bid (the "**Offeror**"), constitute 20% or more of the Corporation's outstanding Voting Shares.

Acquiring Person

In general, an "**Acquiring Person**" is a person who is the Beneficial Owner of 20% or more of the Corporation's Voting Shares. Excluded from the definition of "Acquiring Person" are the Corporation and its subsidiaries, and any person who becomes the Beneficial Owner of 20% or more of the Voting Shares as a result of one or more, or any combination, of the following:

- (a) an acquisition or redemption by the Corporation which reduces the outstanding number of Voting Shares;
- (b) an "**Exempt Acquisition**", meaning a share acquisition in respect of which the Board has waived the application of the 2018 Rights Plan, or which is only a temporary step in an acquisition transaction by the Corporation or subsidiary thereof or which is made pursuant to an amalgamation, merger, reorganization, arrangement, business combination or similar transaction (but not including a Take-over Bid) requiring shareholder approval;
- (c) a "**Permitted Bid Acquisition**", meaning an acquisition made pursuant to a Permitted Bid or Competing Permitted Bid;
- (d) a "**Pro Rata Acquisition**", meaning an acquisition as a result of a stock dividend, stock split or other event in respect of which securities are acquired on the same pro rata basis as all other holders of Voting Shares, or pursuant to a dividend reinvestment plan of the Corporation, or pursuant to any other event pursuant to which all holders of Voting Shares or Convertible Securities are entitled to receive Voting Shares or Convertible Securities of the same class or series (including as a result of a rights offering made to all holders of such securities on a pro rata basis); and

- (e) a **“Convertible Security Acquisition”**, meaning an acquisition of Voting Shares on the exercise of Convertible Securities acquired by such person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition.

Any person who is the Beneficial Owner of 20% or more of the outstanding Voting Shares at the Effective Time is “grandfathered” (a **“Grandfathered Person”**) and excluded from the definition of “Acquiring Person”, but will lose such grandfathered status if such ownership drops below 20% or the Grandfathered Person acquires additional Voting Shares exceeding the person’s Beneficial Ownership as at the Effective Time by more than an additional 1% of the outstanding Voting Shares.

Also excluded from the definition of “Acquiring Person” are underwriters or members of banking or selling groups acting in connection with a distribution of securities by way of a prospectus or private placement.

Beneficial Ownership

In general, a person is deemed to “Beneficially Own” Voting Shares actually held by it and, in certain circumstances, Voting Shares held by others. Included are holdings of a person’s “Affiliates” (generally, a person that controls, is controlled by, or is under common control with another person) and “Associates” (generally, relatives that share the same residence). Also included are securities which the person or any of the person’s Affiliates or Associates has the right to acquire within 60 days (other than customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities by way of a prospectus or private placement, and other than pledges of securities in the ordinary course of business).

A person is also deemed to Beneficially Own any securities Beneficially Owned (as described above) by any other person with whom the person is acting jointly or in concert (a **“Joint Actor”**). A person is a Joint Actor with anyone who is party to an agreement, arrangement or understanding with the first person, or an Affiliate or Associate thereof, for the purpose of acquiring or offering to acquire Voting Shares or Convertible Securities (subject to the same exclusions mentioned in the immediately preceding paragraph for underwriters, banking and selling group members and pledges).

Institutional Shareholder Exemption

The definition of “Beneficial Ownership” contains several exclusions whereby a person is not considered to “Beneficially Own” a security. There are exemptions from the deemed Beneficial Ownership provisions for institutional shareholders acting in the ordinary course of business. These exemptions apply to:

- (a) an investment manager (**“Investment Manager”**) holding securities in the ordinary course of business in the performance of its duties for the account of any other person (a **“Client”**), including the acquisition or holding of securities for non-discretionary accounts held on behalf of the Client by a broker or dealer registered under applicable securities law;
- (b) a licensed trust company (**“Trust Company”**) acting as trustee or administrator or in a similar capacity in relation to estates of deceased or incompetent persons (an **“Estate Account”**) or in relation to other accounts (**“Other Accounts”**) and which holds the security in the ordinary course of its duties for such accounts;
- (c) a person established by statute (**“Statutory Body”**) whose ordinary business or activity includes the management of investment funds for employee benefit plans, pension plans, insurance plans or various public bodies;
- (d) the administrator or the trustee (**“Administrator”**) of one or more pension plans (a **“Plan”**) registered under applicable law; and
- (e) a Crown agent or agency (**“Crown Agent”**).

The foregoing exemptions only apply so long as the Investment Manager, Trust Company, Statutory Body or Crown Agent is not making or has not announced an intention to make a Take-over Bid and is not a Joint Actor of any other person who is making or has announced an intention to make a Take-over Bid, other than an offer to acquire Voting Shares or Convertible Securities pursuant to a distribution by the Corporation or by means of ordinary market transactions through the facilities of a stock exchange or over-the-counter market.

Furthermore, a person will not be deemed to “Beneficially Own” a security because: (i) the person is a Client of the same Investment Manager, an Estate Account or an Other Account of the same Trust Company, or Plan with the same Administrator as another person or Plan on whose account the Investment Manager, Trust Company or Administrator, as the case may be, holds such security, or (ii) the person is the Client of an Investment Manager, Estate Account, Other Account or Plan and the security is owned at law or in equity by the Investment Manager, Trust Company or Plan, as the case may be.

Permitted Lock-up Agreement Exemption

A person will not be deemed to “Beneficially Own” any security where the holder of such security has agreed to deposit or tender such security pursuant to a Permitted Lock-up Agreement (as defined below) to a Take-over Bid made by such person or such person’s Affiliates or Associates or a Joint Actor, or such security has been deposited or tendered pursuant to a Take-over Bid made by such person or such person’s Affiliates, Associates

or Joint Actors until the earliest time at which any such tendered security is accepted unconditionally for payment or is taken up or paid for.

A “**Permitted Lock-up Agreement**” is essentially an agreement between a person and one or more holders of Voting Shares (the terms of which are publicly disclosed and a copy of the agreement is made available to the public within the time frames set forth in the definition of Permitted Lock-up Agreement) pursuant to which each holder (a “**Locked-up Person**”) agrees to deposit or tender Voting Shares and /or Convertible Securities to a Take-over Bid (the “**Lock-up Bid**”) and which further provides that such agreement permits the Locked-up Person to withdraw its Voting Shares and/or Convertible Securities in order to deposit or tender them to another Take-over Bid or support another transaction:

- (a) at a price or value that exceeds the price under the Lock-up Bid, or (ii) that contains an offering price that exceeds the offering price in the Lock-up Bid by as much as or more than a specified amount not greater than 7% of the offering price in the Lock-up Bid; or
- (b) if the Lock-up Bid is for less than 100% of the Voting Shares or Convertible Securities held by Independent Shareholders, and the price or value of the consideration offered under the other Take-over Bid or transaction is not less than that offered under the Lock-up Bid, the number of Voting Shares or Convertible Securities to be purchased under such other Take-over Bid or transaction (i) exceeds the number of Voting Shares or Convertible Securities the Offeror has offered to purchase under the Lock-up Bid, or (ii) exceeds by as much as or more than a specified number not greater than 7% of the number of Voting Shares or Convertible Securities offered to be purchased by the Offeror under the Lock-up Bid.

The 2018 Rights Plan therefore requires that a person making a Take-over Bid structure any lock-up agreement so as to provide reasonable flexibility to the shareholder in order to avoid being deemed the Beneficial Owner of the Common Shares subject to the lock-up agreement and potentially triggering the provisions of the 2018 Rights Plan.

A Permitted Lock-up Agreement may contain a right of first refusal or require a period of delay to give the person who made the Lock-up Bid an opportunity to match a higher price in another Take-over Bid or transaction or other similar limitation on a Locked-up Person’s right to withdraw Voting Shares and/or Convertible Securities so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Voting Shares and/or Convertible Securities during the period of the other Take-over Bid or transaction. Finally, under a Permitted Lock-up Agreement no “break up” fees, “top up” fees, penalties, expenses or other amounts that exceed in aggregate the greater

of (i) 2.5% of the price or value of the consideration payable under the Lock-up Bid; and (ii) 50% of the amount by which the price or value of the consideration received by a Locked-up Person under another Take-over Bid or transaction exceeds what such Locked-up Person would have received under the Lock-up Bid; can be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender Voting Shares and/or Convertible Securities to the Lock-up Bid or withdraws Voting Shares and/or Convertible Securities previously tendered thereto in order to deposit such Voting Shares and/or Convertible Securities to another Take-over Bid or support another transaction.

Flip-in Event

A Flip-in Event occurs when any person becomes an Acquiring Person. In the event that, prior to the Expiration Time, a Flip-in Event which has not been waived by the Board occurs (see “Redemption, Waiver and Termination” below), each Right (except for Rights Beneficially Owned or which may thereafter be Beneficially Owned by an Acquiring Person or a transferee of such a person, which Rights will become null and void) shall constitute the right to purchase from the Corporation, upon exercise thereof in accordance with the terms of the 2018 Rights Plan, that number of Common Shares having an aggregate market value on the date of the Flip-in Event equal to twice the Exercise Price, on payment of the Exercise Price (subject to anti-dilution adjustments set forth in the Rights Plan).

For example, if at the time of the Flip-in Event the Exercise Price is \$150 and the market price of the Common Shares is \$50, the holder of each Right would be entitled to purchase Common Shares having an aggregate market price of \$300 (that is, 6 Common Shares) for \$150 (that is, a 50% discount from the market price). Thus, the potential exercise of the Rights following a Flip-in Event creates the threat of substantial economic and voting dilution to the Acquiring Person’s Beneficial Ownership of Voting Shares.

Permitted Bid and Competing Permitted Bid

A Take-over Bid that qualifies as a Permitted Bid or Competing Permitted Bid will not trigger the exercise of the Rights.

A “**Permitted Bid**” is a Take-over Bid made by way of a Take-over Bid circular and which complies with the following additional provisions:

- (a) the Take-over Bid is made to all holders of Voting Shares as registered on the books of the Corporation other than the Offeror;
- (b) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject

to, an irrevocable and unqualified provision that no Voting Shares shall be taken up or paid for pursuant to the Take-over Bid:

- (i) prior to the close of business on the date that is not less than 105 days following the date of the Take-over Bid or such shorter minimum period that a take-over bid that is not exempt from any of the requirements of applicable securities laws must remain open for deposits of securities thereunder;
 - (ii) then only if, at the close of business on the date Voting Shares are first taken up or paid for under such Take-over Bid, more than 50% of the Voting Shares held by Independent Shareholders have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
- (c) the Take-over Bid contains an irrevocable and unqualified provision that:
- (i) unless the Take-over Bid is withdrawn, Voting Shares may be deposited pursuant to such Take-over Bid at any time during the period of time between the date of the Take-over Bid and the date on which the Voting Shares subject to the Take-over Bid may be taken up and paid for and that any Voting Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
 - (ii) if, on the date on which Voting Shares may be taken up and paid for, more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares for not less than 10 days from the date of such public announcement.

A Take-over Bid that qualified as a Permitted Bid shall cease to be a Permitted Bid at any time and as soon as such time as when such Take-over Bid ceases to meet any or all of the provisions of the definition of a "Permitted Bid".

"Independent Shareholders" generally means holders of Voting Shares other than any Acquiring Person, any Offeror, any Affiliate, Associate or Joint Actor of an Acquiring Person or Offeror, or any employee benefit plan, stock purchase plan, deferred profit sharing plan or similar plan or trust for the benefit of employees of the Corporation or its subsidiaries so long as the beneficiaries of the plan or trust direct how Voting Shares will be voted and whether such shares will be tendered to a Take-over Bid.

A **"Competing Permitted Bid"** is a Take-over Bid that is made after a Permitted Bid or another Competing Permitted Bid (a

"Prior Bid") has been made but prior to its expiry, and satisfies all the requirements of a Permitted Bid as described above and contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, an irrevocable and unqualified condition that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits of securities thereunder pursuant to applicable securities laws after the date of the Take-over Bid constituting the Competing Permitted Bid.

Redemption, Waiver and Termination

- (a) Redemption of Rights on Approval of Holders of Voting Shares and Rights. The Board acting in good faith may, after having obtained the prior approval of the holders of Voting Shares or Rights, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right, appropriately adjusted for anti-dilution as provided in the Rights Plan (the **"Redemption Price"**).
- (b) Waiver of Inadvertent Acquisition. The Board acting in good faith may waive the application of the 2018 Rights Plan in respect of the occurrence of any Flip-in Event if the Board has determined that a person became an Acquiring Person under the 2018 Rights Plan by inadvertence and without any intent or knowledge that it would become an Acquiring Person, but the waiver must be on the condition that the Acquiring Person reduces its Beneficial Ownership of Voting Shares within 30 days, or such earlier or later date as the Board may determine, such that the person is no longer an Acquiring Person.
- (c) Deemed Redemption. In the event that a person who has made a Permitted Bid, Competing Permitted Bid or a Take-over Bid in respect of which the Board has waived or has deemed to have waived the application of the Rights Plan consummates the acquisition of the Voting Shares, the Board shall be deemed to have elected to redeem the Rights for the Redemption Price.
- (d) Discretionary Waiver with Mandatory Waiver of Concurrent Bids. The Board acting in good faith may, prior to the occurrence of a Flip-in Event that would occur by reason of a Take-over Bid made by means of a take-over bid circular to all holders of record of Voting Shares (a **"qualified bid"**), waive the application of the 2018 Rights Plan to such Flip-in Event upon prior written notice to the Rights Agent. However, if the Board waives the application of the 2018 Rights Plan for any such qualified bid, the Board shall be deemed to have waived the application of the 2018 Rights Plan in respect of any other Flip-in Event occurring by reason of any other qualified bid made prior to the expiry of any bid for which the waiver is, or is deemed to have been, granted.

- (e) Discretionary Waiver respecting Acquisition not by Take-over Bid Circular. The Board acting in good faith may, with the prior consent of the holders of Voting Shares, determine, at any time prior to the occurrence of a Flip-in Event as to which the application of the 2018 Rights Plan has not been waived, if such Flip-in Event would occur by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a take-over bid circular to holders of Voting Shares and otherwise than by inadvertence in the circumstances described in (ii) above, to waive the application of the 2018 Rights Plan to such Flip-In Event. However, if the Board waives the application of the 2018 Rights Plan, the Board shall extend the Separation Time to a date subsequent to and not more than 10 Business Days following the meeting of shareholders called to approve such a waiver.
- (f) Redemption of Rights on Withdrawal or Termination of Bid. Where a Take-over Bid that is not a Permitted Bid or Competing Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-in Event, the Board may elect to redeem all the outstanding Rights at the Redemption Price. In such event, the Rights Plan will continue to apply as if the Separation Time had not occurred and one Right will remain attached to each Common Share as provided for in the Rights Plan.
- (g) Waiver with Divestiture Arrangement. The Board may, before the 10th trading day after a Stock Acquisition Date or such later trading day as the Board may determine, by written notice to the Rights Agent, waive the application of the 2018 Rights Plan to the related Flip-in Event provided the Acquiring Person has reduced its Beneficial Ownership of Voting Shares (or entered into a contractual arrangement with the Corporation to do so within 15 days or such earlier or later date as the Board may determine) such that at the time the waiver becomes effective the person is no longer an Acquiring Person. In such event, the Flip-in Event shall be deemed not to have occurred.

If the Board is deemed to have elected or elects to redeem the Rights as described above, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights is to receive the Redemption Price. Within 10 business days of any such

election or deemed election to redeem the Rights, the Corporation will notify the holders of the Voting Shares or, after the Separation Time, the holders of the Rights.

Anti-dilution Adjustments

The Exercise Price of a Right, the number and kind of shares subject to purchase upon exercise of a Right, and the number of Rights outstanding, will be adjusted in certain events, including:

- (a) if there is a dividend payable in Voting Shares or Convertible Securities (other than pursuant to any optional stock dividend program or dividend reinvestment plan or a dividend payable in Voting Shares in lieu of a regular periodic cash dividend) on the Common Shares, or a subdivision or consolidation of the Common Shares, or an issuance of Common Shares or Convertible Securities in respect of, in lieu of or in exchange for Common Shares; or
- (b) if the Corporation fixes a record date for the distribution to all holders of Common Shares of certain rights or warrants to acquire Common Shares or Convertible Securities, or for the making of a distribution to all holders of Common Shares of evidences of indebtedness or assets (other than regular periodic cash dividends or stock dividends payable in Common Shares) or rights or warrants.

Supplements and Amendments

The Corporation may, without the consent of the holders of Common Shares or Rights, make amendments to the 2018 Rights Plan (i) to correct any clerical or typographical error, or (ii) as required to maintain the validity or effectiveness of the 2018 Rights Plan as a result of any change in any applicable legislation, rules or regulation.

Subject to the above exceptions, after the 2018 Rights Plan is approved by the shareholders of the Corporation at the Meeting, any supplement, amendment, deletion, variation, restatement or rescission of any provision of the 2018 Rights Plan and the Rights is subject to the prior approval of the holders of Common Shares, or, after the Separation Time, the holders of the Rights.

Rights Agent

The 2018 Rights Plan contains customary provisions concerning the duties, liabilities, indemnification and replacement of the Rights Agent.

Appendix D

ATHABASCA OIL CORPORATION DESCRIPTION OF LONG-TERM EQUITY INCENTIVE PLANS

The following are descriptions of each of Athabasca's long-term equity incentive plans, which include the Performance Plan, the 2010 RSU Plan, the New RSU Plan, and the Option Plan. The DSU Plan is also described.

GENERAL LIMITATIONS APPLICABLE TO ALL LTI PLANS

Grants made under each of Athabasca's long-term equity incentive plans (collectively, "**Security Based Compensation Arrangements**") are subject to the following limitations:

- (a) the maximum number of Common Shares issuable in aggregate pursuant to outstanding rights granted under all Security Based Compensation Arrangements at any time shall be limited to 10% of the aggregate number of issued and outstanding Common Shares;
- (b) the number of Common Shares reserved for issuance to any one participant under all Security Based Compensation Arrangements shall not exceed 5% of the issued and outstanding Common Shares;
- (c) the number of Common Shares issuable to insiders, at any time, under all Security Based Compensation Arrangements, shall not exceed 10% of the issued and outstanding Common Shares; and
- (d) the number of Common Shares issued to insiders, within any one year period, under all Security Based Compensation Arrangements, shall not exceed 10% of the issued and outstanding Common Shares.

PERFORMANCE PLAN

Purpose of the Performance Plan and Eligibility

The principal purposes of the Performance Plan are to: (i) attract, retain and motivate the officers, employees and other eligible service providers of the Corporation, its subsidiaries and any entity designated by the Board from time to time a member of the Athabasca Group (collectively, the "Athabasca Group") in the growth and development of Athabasca by providing them with the opportunity to acquire an increased proprietary interest in the Corporation; (ii) more closely align their interests with those of the Corporation's shareholders; (iii) focus service providers on operating and financial performance and long-term shareholder value; and (iv) motivate and reward them for their performance and contributions to the Corporation's long-term success. The Performance Plan is administered by the Board or a committee of the Board and the Board is entitled to determine the individuals to whom Performance Awards may be awarded. Directors who are not officers or employees of the Athabasca Group are not eligible to receive grants of Performance Awards.

Limitations under the Performance Plan

The maximum number of Common Shares that may be issuable pursuant to the Performance Plan together with all other Security Based Arrangements of the Corporation is 10% of the Common Shares outstanding from time to time. Any increase in the issued and outstanding Common Shares (including increases resulting from the settlement of Performance Awards) will result in an increase in the number of Common Shares that may be issued on Performance Awards outstanding at any time. For the purposes of calculating the 10% limitation referred to above only, it shall be assumed that all issued and outstanding Performance Awards will be settled by the issuance of Common Shares from treasury, notwithstanding Athabasca's right to settle the Award Value underlying Performance Awards in cash or by purchasing Common Shares on the open market and that a Payout Multiplier of 1.0 will be applied to all Performance Awards. Performance Awards that are cancelled, surrendered, terminated or expire prior to the settlement of all or a portion thereof and Performance Awards that are settled for cash will result in the Common Shares that were reserved for issuance under the Performance Plan being available for a subsequent grant of Performance Awards.

As at the Record Date and December 31, 2017, there were 3,291,967 Common Shares reserved for issuance upon vesting of Performance Awards outstanding under the Performance Plan, representing approximately 0.6% of the number of current issued and outstanding Common Shares. During the financial year ended December 31, 2017, a total of 334,633 Common Shares were issued in relation to outstanding units under this plan upon settlement of Performance Awards, representing 0.07% of the number of issued and outstanding Common Shares as at December 31, 2017.

Grant of Performance Awards and Assignability

Pursuant to the Performance Plan, the Board may grant Performance Awards on such terms and conditions as it may determine, including, but not limited to, the applicable performance measures to be taken into consideration and their weighting in granting Performance Awards ("**Performance Measures**"), the Payout Multiplier (as defined below) that shall apply to the Performance Award, if any, and any acceleration or waiver of termination or forfeiture regarding any Performance Award. Performance Awards are not assignable.

Performance Measures

The Performance Measure applicable to Performance Awards include Athabasca's total shareholder return ("**TSR**") and

operational and corporate strategic measures in the Corporate Scorecard, which are set at the beginning of each performance period. The value of vested Performance Awards are based 50% on TSR for the particular period, compared to the Corporation's pay comparator group, and 50% based on its performance against the operational and corporate strategic measures for each performance period ("**Corporate Scorecard Result**"), with the weighting for each performance period as follows: 20% for year 1 ("**First Tranche**"); 20% for year 2 ("**Second Tranche**"); 20% for year 3 ("**Third Tranche**") and 40% for years 1-3 ("**Fourth Tranche**").

Under the Performance Plan, depending on the Corporation's TSR and Corporate Scorecard Result, a payout multiplier is applied of between 0% and 200% ("**Payout Multiplier**").

In the case of the Corporate Scorecard result, (i) if the result is 100%, the Payout Multiplier will be 100%, (ii) if the result is the maximum available assessment, the Payout Multiplier will be 200%, (iii) if the result is below 100%, the Payout Multiplier will be calculated using a linear sliding scale based on the endpoints

of 0% and 100%, and (iv) if the result is above 100%, the Payout Multiplier will be calculated using a linear sliding scale based on endpoints of 100% and 200%. In no event will the Payout Multiplier exceed 200%

In the case of the TSR multiplier, if the Corporation's TSR compared to the TSR range for all Peer Companies during the relevant Performance Period is: (i) below the 25th percentile the Payout Multiplier will be 0%, (ii) equal to the 25th percentile the Performance Multiplier will be 50%, (iii) equal to the 50th percentile the Payout Multiplier will be 100%, and (iv) at or above the 75th percentile the Payout Multiplier will be 200%. If the Corporation's TSR compared to the TSR range for all Peer Companies during the relevant Performance Period is above the 25th and below the 50th percentiles or above the 50th and below the 75th percentiles, the Payout Multiplier shall be calculated using a linear sliding scale based on the endpoints noted in (ii) and (iii) or between (iii) and (iv) above, respectively. In no event will the Payout Multiplier exceed 200%.

The pay comparator group that the Board determined would be used for the calculation of Performance Awards granted during the year ended December 31, 2017 is as follows:

Baytex Energy Corp.	Birchcliff Energy Ltd	BlackPearl Resources Inc.
Bonterra Energy Corp.	Cardinal Energy Ltd.	Cona Resources Ltd.
Crew Energy Inc.	Delphi Energy Corp.	Kelt Exploration Ltd.
MEG Energy Corp.	NuVista Energy Ltd.	Obsidian Energy Ltd.
Paramount Resources Ltd.	Pengrowth Energy Corporation	Spartan Energy Corp.
Surge Energy Inc.	Tamarack Valley Energy Ltd.	TORC Oil & Gas Ltd.
Trilogy Energy Corp.	Whitecap Resources Inc.	

The Compensation and Governance Committee makes adjustments to the group as required and removed Trilogy Energy Corp. and Paramount Resources Ltd. following their business combination in 2017.

The value of a Performance Award (the "**Award Value**") is an amount equal to the number of Performance Awards as such number may be adjusted in accordance with the terms of the Performance Plan, multiplied by the Fair Market Value of the Common Shares, and shall be determined by the Board as of the applicable vesting date ("**Vesting Date**"). The Vesting Date is April 1 of the third year following the year in which the Performance Award was granted.

Expiry Date

The Board determines the expiry dates for each Performance Award, provided that unless otherwise determined on the date of grant by the Board, the expiry date ("**Expiry Date**") is December 15th of the third year following the year in which the

Performance Award was granted. Notwithstanding the foregoing, no Performance Award will vest beyond the Expiry Date.

Settlement of Performance Awards

Performance Awards may be settled by one or a combination of the following: (i) payment in cash; (ii) payment in Common Shares acquired by the Corporation on the TSX; or (iii) payment in Common Shares issued from the treasury of the Corporation. A holder of Performance Awards has no right to demand, or receive Common Shares for any portion of the Award Value.

If a Vesting Date occurs during a Black-Out Period, then the Vesting Date shall be extended to a date that is within seven business days following the end of the blackout. If any such extension would cause the Vesting Date to extend beyond the Expiry Date while a black-out is still in effect, then the Corporation must pay the holder the entire Award Value in cash (and not Common Shares) and the Corporation will not have any right to pay the Award Value in whole or in part in Common Shares.

Dividends

The Performance Plan provides for an adjustment to the number of Common Shares to be issued pursuant to Performance Awards for dividends paid on the Common Shares during the term of the Performance Awards.

Change of Control

Pursuant to the Performance Plan, if there is a Change of Control (as defined below under “*Option Plan – Change of Control*”) then, subject to any provision to the contrary contained in a Performance Award Agreement, all Common Shares awarded pursuant to any Performance Award that have not yet vested and been issued will vest on the date which is immediately prior to the time a Change of Control is completed.

Notwithstanding the foregoing, in order to assist the Corporation with the retention of employees if there is a Change of Control, the Performance Award Agreements entered into by the Corporation and its officers or employees (“**Service Providers**”) during the year ended December 31, 2017, include the following provisions (the “**PSU Change of Control Provisions**”):

- (a) if a Service Provider is provided notice in writing (a “**Service Provider Termination Notice**”) that the Service Provider’s employment or service to the Corporation will be terminated within thirty days of the date of a Change of Control (“**Change of Control Date**”), then:
 - (i) the Vesting Date of the Performance Awards granted pursuant to the applicable Performance Award Agreement is the date which is immediately prior to the Change of Control Date, or on such earlier date as may be established by the Board in its absolute discretion, prior to the Change of Control Date (the “**Change of Control Vesting Date**”); and
 - (ii) the number of Performance Awards which vest shall be determined in accordance with the Vesting Provisions, subject to the following adjustments: (A) if the Change of Control Date occurs on or before December 31, 2017, then the First Tranche Awards shall be deemed to be 100% of the Performance Awards and the Second Tranche Awards, Third Tranche Awards and Fourth Tranche Awards shall be deemed to be nil% of the Performance Awards; (B) if the Change of Control Date occurs after December 31, 2017, and on or before December 31, 2018, then the First Tranche Awards shall be deemed to be 50% of the Performance Awards, the Second Tranche Awards shall be deemed to be 50% of the Performance Awards, and the Third Tranche Awards and Fourth Tranche Awards shall be deemed to be nil% of the Performance Awards; and (C) if the Change of Control Date occurs after December 31, 2018, and on or before December 31, 2019, then the

First Tranche Awards shall be deemed to be 33 1/3% of the Performance Awards, the Second Tranche Awards shall be deemed to be 33 1/3% of the Performance Awards, the Third Tranche Awards shall be deemed to be 33 1/3% of the Performance Awards, and the Fourth Tranche Awards shall be deemed to be nil% of the Performance Awards; and for purposes of calculating the TSR for the Corporation for any Performance Period that has not been completed as at the Change of Control Date the trading price of the Common Shares at the end of such Period shall be deemed to be equal to the price received per Common Share pursuant to the Change of Control (being in the case of consideration other than cash, the fair market value thereof as determined by the Board);

- (iii) the Award Value of the Performance Awards that so vest (the “**Change of Control Award Value**”) shall be determined as at the Change of Control Vesting Date; and
- (b) If the Service Provider is not provided with a Service Provider Termination Notice, then the Service Provider is contingently entitled to the Change of Control Award Value (the “**Contingent Change of Control Award Value**”) subject to the following:
 - (i) provided the Service Provider has remained in the continuous employ or service of one or more members of the Athabasca Group from the Change of Control Date until April 1, 2020, the Contingent Change of Control Award Value, less any required withholdings, shall be paid to the Grantee within five business days of April 1, 2020;
 - (ii) if the grantee ceases to be a Service Provider of, or consultant to, any of the entities comprising the Athabasca Group prior to April 1, 2020 by reason of termination of Service Provider’s employment or service for cause or by reason of the resignation or retirement of the Service Provider, the Service Provider’s right to receive the Contingent Change of Control Award Value shall terminate and become null and void on the date of the cessation of the grantee’s employment or service and the Service Provider shall not be entitled to any further payment hereunder; and
 - (iii) if the Service Provider ceases to be a Service Provider of, or consultant to, any of the entities comprising the Athabasca Group prior to April 1, 2020 by reason of termination of the Service Provider’s employment for any reason other than as described above including, without limitation, by reason of the death of the Service Provider or the termination of the Service Provider’s employment other than for cause, the Contingent Change of Control Award Value, less any

required withholdings, shall be paid to the grantee within five business days of the cessation of employment or service.

The Performance Plan provides that unless otherwise determined by the Compensation and Governance Committee or unless otherwise provided in a Performance Award agreement pertaining to a particular grant or any other written agreement, including an employment agreement, if a holder of a Performance Award ceases to be a Service Provider for any reason before all of such holder's Performance Awards have vested, then all such unvested Performance Awards are forfeited and any Award Value corresponding to any vested Performance Awards remaining unpaid will be paid to the former participant in accordance with the Performance Plan.

Notwithstanding the preceding paragraph if a participant dies, any unvested Performance Awards shall be deemed to have vested immediately prior to the date of death of the participant with the result that the deceased participant shall not forfeit any unvested Performance Awards.

Anti-Dilution

The Performance Plan contains anti-dilution provisions which allow the committee to make such adjustments to the Performance Plan, to any Performance Awards and to any Performance Award agreements outstanding under the Performance Plan as the committee may consider appropriate in the circumstances to prevent substantial dilution or enlargement of amounts to be paid to participants under the Performance Plan.

Amendments

The Board has the right to amend or discontinue the Performance Plan or amend any Performance Award without shareholder approval or the consent of a holder of a Performance Award, provided that such amendment does not adversely alter or impair any Performance Award previously granted under the Performance Plan or any related Performance Award Agreement, except as otherwise permitted under the Performance Plan; however, the Board may not amend the Performance Plan or any Performance Award granted under it without shareholder and, if applicable, TSX approval: (i) to increase the maximum number of Common Shares issuable pursuant to the Performance Plan; (ii) to cancel a Performance Award and subsequently issue the holder of such Performance Award a new Performance Award in replacement thereof; (iii) to extend the term of a Performance Award; (iv) to permit the assignment or transfer of a Performance Award other than as provided for in the Performance Plan; (v) to add to the categories of persons eligible to participate in the Performance Plan; (vi) to remove or amend the limitations contained in the Performance Plan; or (vii) to remove or amend the amendment provisions of the Performance Plan.

RESTRICTED SHARE UNITS

The full text of the New Restricted Share Unit Plan is attached as Appendix A.

New RSU Plan

On March 11, 2015, upon the recommendation of the Compensation and Governance Committee, the Board approved the New RSU Plan and determined that the Corporation would not make any further grants of 2010 RSUs under the 2010 RSU Plan (as described below). All grants of RSUs subsequent to March 11, 2015 are new RSUs ("**New RSUs**"), issued pursuant to the New RSU Plan. Each New RSU is a unit that is equivalent in value to a Common Share and that upon vesting will be automatically settled by the Corporation in accordance with the New RSU Plan.

Purpose of the New RSU Plan and Eligibility

The purposes of the New RSU Plan are to: (i) attract, retain and motivate the officers, employees and other eligible Service Providers of the Athabasca Group towards the growth and development of the Athabasca Group by providing them with the opportunity to acquire an increased proprietary interest in the Corporation; (ii) more closely align their interests with those of the Corporation's shareholders; (iii) focus Service Providers on operating and financial performance and long-term shareholder value; and (iv) motivate and reward them for their performance and contributions to the Corporation's long-term success.

The New RSU Plan is administered by the Board. To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board, all or any of the powers conferred on the Board under the New RSU Plan. The Board has the authority to determine the individuals to whom RSUs may be awarded.

Limitations on Issuances under the New RSU Plan

As noted under "*General Limitations Applicable to All LTI Plans*" above, in addition to the other limitations described, the maximum number of Common Shares issuable on the exercise of outstanding New RSUs at any time is limited to 10% of the number of Common Shares that are issued and outstanding, less the number of Common Shares that are issuable pursuant to all other Security Based Compensation Arrangements

Any increase in the issued and outstanding Common Shares (including increases resulting from the settlement of New RSUs) will result in an increase in the number of Common Shares that may be issued in the settlement of New RSUs outstanding at any time and any increase in the number of New RSUs granted will, upon settlement, make new grants available under the New RSU Plan. For the purposes of calculating the 10% limitation referred to above only, it shall be assumed that all issued and outstanding

New RSUs will be settled by the issuance of Common Shares from treasury, notwithstanding Athabasca's right to settle the New RSUs in cash or by purchasing Common Shares on the open market. New RSUs that are cancelled, surrendered, terminated or expire prior to the settlement of all or a portion thereof and New RSUs that are settled for cash will result in the Common Shares that were reserved for issuance under the New RSU Plan being available for a subsequent grant of New RSUs pursuant to the New RSU Plan to the extent of any Common Shares issuable thereunder that are not issued under such cancelled, surrendered, terminated or expired New RSUs.

New RSUs may not be awarded to directors of the Corporation who are not officers or employees of the Corporation or another member of the Athabasca Group.

As at the Record Date, there were 8,850,168 Common Shares reserved for issuance upon vesting of New RSUs outstanding under the New RSU Plan, representing approximately 1.7% of the number of current issued and outstanding Common Shares. As at December 31, 2017, there were 8,924,135 Common Shares reserved for issuance upon vesting of New RSUs outstanding under the New RSU Plan, representing approximately 1.7% of the number of current issued and outstanding Common Shares. During the financial year ended December 31, 2017, a total of 1,743,765 Common Shares were issued upon settlement of New RSUs, representing 0.3% of the number of issued and outstanding Common Shares as at December 31, 2017.

Vesting, Assignability and Expiry

The Board may determine the vesting of the New RSUs at the time of grant, and in the absence of any determination by the Board (or the committee) to the contrary, New RSUs will vest and be payable as to one-third of the total number of New RSUs granted on each of the first, second and third anniversaries of the grant date (if settled in Common Shares, computed in each case to the nearest whole Common Share), provided that no New RSU, or portion thereof, may vest after the RSU Expiry Date (as defined below). Notwithstanding the foregoing, the Board may, at any time or in the New RSU agreement in respect of any New RSUs granted, accelerate or provide for the acceleration of vesting in whole or in part of New RSUs previously granted.

New RSUs are not transferable or assignable.

The Board will determine the expiry dates for grants of New RSUs, provided that unless otherwise determined on the date of grant by the Board, the expiry date ("**RSU Expiry Date**") is December 15th of the third year following the year in which the New RSUs were granted. Notwithstanding the foregoing, no New RSU will vest beyond the Expiry Date.

Settlement of New RSUs

New RSUs may be settled by any one or combination of the following methods: (i) payment in cash; (ii) payment in Common

Shares acquired by the Corporation on the TSX; or (iii) payment in Common Shares issued from the treasury of the Corporation. A holder of New RSUs has no right to demand or receive Common Shares as settlement for the New RSUs or any portion thereof, in Common Shares.

Blackout Periods

If the vesting date of a New RSU occurs during a Black-Out Period, then the RSU Vesting Date shall be extended to a date which is within seven business days following the end of such Black-Out Period. If any such extension would cause the RSU Vesting Date to extend beyond the Expiry Date and while a Blackout-Period is still in effect, then the Corporation must settle the applicable New RSUs in cash and the Corporation will not have any right to settle the New RSUs in whole or in part in Common Shares.

Dividends

The New RSU Plan provides for an adjustment to the number of Common Shares to be issued pursuant to New RSUs for any dividends that are paid on the Common Shares during the term of the New RSUs. Upon vesting of any New RSUs, the Common Shares issuable pursuant to such New RSUs will reflect any adjustments for dividends.

Change of Control

If there is a Change of Control (as defined below under "*Option Plan – Change of Control*") then, subject to any provision to the contrary contained in a New RSU agreement, all Common Shares awarded pursuant to any New RSUs that have not yet vested and been issued will vest on the date that is immediately prior to the time such Change of Control takes place, or at such earlier time as may be established by the Board or the Compensation and Governance Committee, in its absolute discretion, prior to the time such Change of Control takes place.

Notwithstanding the foregoing, in order to assist the Corporation with the retention of employees if there is a Change of Control, the form of RSU agreement entered into by the Corporation and its Service Providers, including those entered during the year ended December 31, 2017 (the "**New RSU Agreements**"), contain the following provisions:

- (a) If a participant is provided notice in writing (a "**Participant Termination Notice**") that the participant's employment or service to the Corporation will be terminated within thirty days of the date of a Change of Control, then the New RSUs granted pursuant to an applicable New RSU Agreement will vest immediately and will be terminated on the 90th day after the occurrence of the Change of Control or such earlier time as may be established by the Board prior to the Change of Control.

- (b) However, if a participant is not provided with a Participant Termination Notice and the participant will continue to be employed by the Corporation or its successor following the Change of Control, then the vesting of the New RSUs granted pursuant to an applicable New RSU Agreement will not be accelerated as a result of a Change of Control, but shall continue to vest in accordance with the terms of the applicable New RSU Agreement, provided that: (i) the award value of the New RSUs shall be determined and fixed as of the date of the Change of Control; and (ii) shall be payable upon vesting in cash only.

Additional New RSU Plan Terms

The New RSU Plan provides that unless otherwise determined by the Board or unless otherwise provided in a New RSU Agreement pertaining to a particular grant or any other written agreement, including an employment agreement, if a holder of New RSUs ceases to be Service Provider for any reason other than death, before all of such holder's New RSUs have vested, then all such unvested New RSUs shall be forfeited and any amount corresponding to any vested New RSUs remaining unpaid will be paid to the former participant in accordance with the New RSU Plan.

Notwithstanding the preceding paragraph or anything else contained in the New RSU Plan to the contrary, unless otherwise determined by the Board, or unless the Corporation and a participant agree otherwise in a New RSU agreement or other written agreement (including an employment agreement), if a participant ceases to be a director, officer of or be in the employ of, or a consultant or other Service Provider to the Athabasca Group due to the death of the participant, any unvested New RSUs shall be deemed to have vested immediately prior to the date of death of the participant with the result that the deceased participant shall not forfeit any unvested New RSUs.

Anti-Dilution

The New RSU Plan contains anti-dilution provisions which allow the Board to make such adjustments to the New RSU Plan, to any New RSUs and to any New RSU agreements outstanding under the New RSU Plan as the Board may consider appropriate in the circumstances to prevent substantial dilution or enlargement of amounts to be paid to participants under the New RSU Plan.

Amendments

The Board has the right to amend or discontinue the New RSU Plan or amend any New RSUs granted under the New RSU Plan without shareholder approval or the consent of a holder of New RSUs, provided that such amendment does not adversely alter or impair any New RSUs previously granted under the New RSU Plan or any related New RSU Agreement, except as otherwise permitted under the New RSU Plan; however, while the Common

Shares are listed for trading on the TSX, the Board will not be entitled to amend the New RSU Plan or any New RSUs granted under it without shareholder and, if applicable, TSX approval: (i) to increase the maximum number of Common Shares issuable pursuant to the New RSU Plan; (ii) to cancel New RSUs and subsequently issue the holder of such New RSUs a new grant of New RSUs in replacement thereof; (iii) to extend the term of New RSUs; (iv) to permit the assignment or transfer of New RSUs, other than as provided for in the New RSU Plan; (v) to add to the categories of persons eligible to participate in the New RSU Plan; (vi) to remove or amend the limitations contained in the New RSU Plan; or (vii) to remove or amend the amendment provisions of the New RSU Plan.

2010 RSU PLAN

General and Eligibility

The 2010 RSU Plan allowed the Board to grant restricted share units ("**2010 RSUs**"), each of which is a unit that is equivalent in value to a Common Share and that upon vesting and exercise results in the holder thereof being issued a Common Share. As a result of the implementation of the New RSU Plan, the Corporation has determined to not make any further grants under this 2010 RSU Plan.

Purpose of the 2010 RSU Plan

The 2010 RSU Plan was implemented for the same purpose as the Option Plan, and is administered by the Board or a committee of the Board appointed by the Board.

Limitations under the 2010 RSU Plan

As noted under "*General Limitations Applicable to All LTI Plans*" above, in addition to the other limitations described, the maximum number of Common Shares issuable on the exercise of outstanding 2010 RSUs at any time is limited to 10% of the number of Common Shares that are issued and outstanding, less the number of Common Shares that are issuable pursuant to all other security based compensation arrangements of Athabasca.

As at the Record Date, there were 2,484,156 Common Shares issuable upon the exercise of 2010 RSUs outstanding under the 2010 RSU Plan, representing approximately 0.5% of the number of current issued and outstanding Common Shares. As at December 31, 2017, there were 2,615,155 Common Shares issuable upon the exercise of 2010 RSUs outstanding under the 2010 RSU Plan, representing approximately 0.5% of the number of current issued and outstanding Common Shares. During the financial year ended December 31, 2017, a total of 1,443,777 Common Shares were issued upon the exercise of 2010 RSUs, representing approximately 0.3% of the number of issued and outstanding Common Shares as at December 31, 2017.

Term, Assignability and Exercise of Options

2010 RSUs have a term not exceeding five years and vest in the manner determined by the Compensation and Governance Committee. 2010 RSUs vest and are exercisable as to one-quarter on each of the first, second, third and fourth anniversaries of the grant date, unless otherwise determined by the Board.

2010 RSUs are not assignable.

If Common Shares cannot be issued pursuant to any 2010 RSUs due to a Black-Out Period at any time within the three business day period prior to the normal expiry date of such 2010 RSUs, the expiry date of the 2010 RSUs will be extended by seven business days following the end of the Black-Out Period (or such longer period as is permitted by the TSX or such stock exchange on which the Common Shares may be listed).

As soon as practicable after the vesting and exercise of any 2010 RSUs, the Corporation must issue from treasury to the participant the number of Common Shares required to be delivered upon the vesting of such participant's 2010 RSUs. The participant may exercise any vested 2010 RSU by delivering to the Corporation a notice of exercise in writing stating the participant's intention to exercise a particular 2010 RSU together with payment of the exercise price of \$0.10 per 2010 RSU so exercised. Upon receipt of the exercise notice and aggregate exercise price from the participant, the Corporation will cause the Common Shares in respect of which the 2010 RSUs have been exercised to be issued to the participant.

Termination

Unless otherwise determined by the Board, or unless the Corporation and participant agree otherwise in a 2010 RSU agreement or other written agreement (including an employment or consulting agreement), each 2010 RSU shall provide that if a participant ceases to be service provider to the Athabasca Group for any reason whatsoever including, without limitation, retirement, resignation, involuntary termination (with or without cause) or death, as determined by the Board in its sole discretion, before all of the participant's 2010 RSUs have vested or are forfeited pursuant to any other provision of the 2010 RSU Plan: (a) such participant shall cease to be a participant in the 2010 RSU Plan as of the Forfeiture Date (as defined below); (b) the former participant shall forfeit all unvested awards respecting 2010 RSUs effective as at the Forfeiture Date; (c) any Common Shares corresponding to any remaining vested award of 2010 RSUs shall be delivered to the former participant in accordance with the 2010 RSU Plan as soon as practicable after the Forfeiture Date (or, in the case of death, to the legal representative of the deceased former participant's estate as soon as practicable after receipt of satisfactory evidence of the participant's death from the authorized legal representative of the deceased participant); and (d) the former participant shall

not be entitled to any further distribution of Common Shares or any payment in respect of the 2010 RSU Plan.

For the purposes of the 2010 RSU Plan, "Forfeiture Date" means the date, as determined by the Board, on which a participant ceases to be a participant pursuant to the 2010 RSU Plan, and if the participant is an employee and the participant's employment is terminated without cause, the date will be extended to include the applicable period of statutory notice, if any, pursuant to the governing employment standards legislation, but does not include any period of reasonable notice that the Corporation may be required at common law to provide to the participant.

Notwithstanding the preceding, if a participant dies, any unvested awards respecting 2010 RSUs held by the deceased participant shall vest immediately prior to the Forfeiture Date with the result that the deceased participant shall not forfeit any unvested awards of 2010 RSUs.

Surrender Offer

The 2010 RSU Plan also provides that a participant may make an offer (an "Offer to Surrender"), for the disposition and surrender by the participant to the Corporation of any 2010 RSUs for an amount not to exceed the five-day volume weighted average trading price of the Common Shares on the TSX (or such stock exchange on which the Common Shares may be listed) on the date of the Offer to Surrender less the exercise price of the 2010 RSUs specified in the Offer to Surrender. The Corporation may accept or reject any Offer to Surrender, in its sole discretion.

Change of Control

The 2010 RSU Plan provides that subject to any provision to the contrary contained in a 2010 RSU agreement or other written agreement (including an employment agreement) between the Corporation and a participant, if there is a Change of Control (as defined in the 2010 RSU Plan) of the Corporation, all issued and outstanding 2010 RSUs will vest and be exercisable immediately prior to the time such Change of Control takes place and will terminate on the 90th day after the Change of Control, or at such earlier time as may be established by the Board prior to the time such Change of Control.

Revised 2010 RSU Change of Control Terms

In order to provide the Corporation with an employee retention mechanism in the event of a Change of Control, on March 27, 2012, the Board approved certain changes to the form of 2010 RSU agreement (the "Revised 2010 RSU Agreements") entered into between the Corporation and participants to which 2010 RSUs were granted. The Revised 2010 RSU Agreements provide that if a participant is provided with a notice in writing by the Corporation that the participant's employment or service with the Corporation will be terminated within thirty days of the date of a Change of Control (a "2010 RSU Participant Termination

Notice”), then the 2010 RSUs granted pursuant to an applicable Revised 2010 RSU Agreement will vest immediately and will be terminated on the 90th day after the occurrence of the Change of Control or such earlier time as may be established by the Board prior to the time that the Change of Control takes place.

However, if a participant is not provided with a 2010 RSU Participant Termination Notice and the participant will continue to be employed by the Corporation or its successor following the Change of Control, then the vesting of the 2010 RSUs granted pursuant to an applicable Revised 2010 RSU Agreement will not be accelerated as a result of a Change of Control. Instead, such participant’s unvested, unexercised 2010 RSUs shall terminate at the time that is the first to occur of: (i) the Change of Control; (ii) the expiration date of the 2010 RSUs; or (iii) the Forfeiture Date. In this event, any applicable 2010 RSU Cash Bonus Agreement (as defined below) between Athabasca and participant will become effective, as described below (the revisions described in this paragraph are referred to herein as the **“Amended 2010 RSU Change of Control Provisions”**).

2010 RSU Cash Bonus Agreements

Participants that have been granted 2010 RSUs pursuant to a Revised 2010 RSU Agreement (including NEOs) have entered into, or will enter into, cash bonus agreements (**“2010 RSU Cash Bonus Agreements”**) with the Corporation, which provide the participants with the right to receive cash amounts (a **“2010 RSU Cash Bonus”**) if they are not provided with a 2010 RSU Participant Termination Notice and they continue to be a service provider to the Athabasca Group following a Change of Control. Pursuant to the 2010 RSU Cash Bonus Agreements, if a participant remains in the continuous employ or service of the Athabasca Group from the date of a Change of Control until a vesting date that is set out in an applicable Revised 2010 RSU Agreement (an **“2010 RSU Bonus Vesting Date”**), then a 2010 RSU Cash Bonus (calculated in accordance with the formula that is set forth below) divided by the number of 2010 RSU Bonus Vesting Dates described in the Revised 2010 RSU Agreement shall be paid by the Corporation to the participant on each such 2010 RSU Bonus Vesting Date:

(D x E) where:

- (i) “D” equals the number of 2010 RSUs that had not vested as at the date of the termination of the 2010 RSUs pursuant to the Amended 2010 RSU Change of Control Provisions (**“Unvested 2010 RSUs”**); and
- (ii) “E” equals the difference, if positive, between the consideration per Common Share received by the holders of Common Shares pursuant to the transaction that constitutes a Change of Control and the exercise price per Unvested 2010 RSU, as provided in the applicable Revised 2010 RSU Agreement.

Additionally, pursuant to the 2010 RSU Cash Bonus Agreements, if a participant remains in the continuous employ or service of the Athabasca Group from the date of a Change of Control until either the second or third anniversary of the date of the Change of Control (depending on which period is specified in the applicable 2010 RSU Cash Bonus Agreement), any remaining 2010 RSU Cash Bonus which has not previously been paid to the participant in accordance with the above shall be accelerated and paid to such participant on the second or third anniversary of the date of the Change of Control (as specified in the applicable 2010 RSU Cash Bonus Agreement).

Anti-Dilution

The 2010 RSU Plan contains the same anti-dilution provisions as those contained in the Option Plan and described below under **“Option Plan – Anti-Dilution”**.

Amendments

The Board may amend or discontinue the 2010 RSU Plan or amend any 2010 RSU at any time without shareholder approval or the consent of a participant, provided that such amendment must not adversely alter or impair any 2010 RSU previously granted under the 2010 RSU Plan or any related 2010 RSU agreement, except as otherwise permitted by the 2010 RSU Plan; however, at any time while the Common Shares are listed for trading on the TSX, the Board may not amend the 2010 RSU Plan or any 2010 RSU granted under it without shareholder and, if applicable, TSX approval: (i) to increase the maximum number of Common Shares issuable pursuant to the 2010 RSU Plan; (ii) to reduce the exercise price of an RSU or cancel a 2010 RSU and subsequently issue the holder of such 2010 RSU a new 2010 RSU in replacement thereof; (iii) to extend the term of a 2010 RSU; (iv) to permit the assignment or transfer of a 2010 RSU other than as provided for in the RSU Plan; (v) to add to the categories of persons eligible to participate in the 2010 RSU Plan; (vi) to remove or amend the participation limitations and restrictions; (vii) to remove or amend the restrictions on amendments that are provided in the 2010 RSU Plan.

On termination of the 2010 RSU Plan, any outstanding awards of 2010 RSUs will immediately vest and the number of Common Shares corresponding to the 2010 RSUs that have been awarded will be delivered to the participant in accordance with and upon compliance with the terms of the 2010 RSU Plan. The 2010 RSU Plan will finally cease to operate for all purposes when: (a) the last remaining participant receives delivery of all Common Shares corresponding to 2010 RSUs; or (b) all unexercised 2010 RSUs expire in accordance with the terms of the 2010 RSU Plan and the relevant 2010 RSU agreements.

STOCK OPTION PLAN

The full text of the Stock Option Plan is attached as Appendix B.

Purpose of the Option Plan and Eligibility

The Corporation's Option Plan permits the granting of Options to purchase Common Shares to directors, officers, employees, consultants and other service providers ("**Optionees**") of the Corporation, its subsidiaries, and any other entity designated by the Board from time to time as a member of the "**Athabasca Group**" for the purposes of the Option Plan (the "**Athabasca Group**"). The purpose of the Option Plan is to aid in attracting, retaining, and motivating eligible service providers in the growth and development of the Athabasca Group by providing them with an opportunity to acquire an increased proprietary interest in the Corporation. The Option Plan is administered by the Board or a committee of the Board appointed by the Board to administer the Option Plan.

Limitations under the Option Plan

As noted under "*General Limitations Applicable to All LTI Plans*" above, in addition to the other limitations described, the maximum number of Common Shares that are issuable on the exercise of outstanding Options at any time is limited to 10% of the number of Common Shares that are issued and outstanding, less the number of Common Shares that are issuable pursuant to all other security based compensation arrangements of Athabasca. In addition to the other limitations described under "*General Limitations Applicable to All LTI Plans*" above, under the Option Plan, the maximum number of Common Shares issuable on exercise of Options outstanding at any time held by directors of the Corporation who are not officers or employees of the Corporation, is limited to 0.75% of the issued and outstanding Common Shares.

Options cancelled, terminated or expired prior to exercise of all or a portion thereof will result in the Common Shares that were reserved for issuance being available for subsequent grants of Options. As the Option Plan is a "rolling plan", the issuance of additional Common Shares by the Corporation or the exercise of Options will also give rise to additional availability under the Option Plan.

As at the Record Date, there were 10,941,166 Common Shares issuable upon exercise of Options outstanding under the Option Plan, representing approximately 2.1% of the number of current issued and outstanding Common Shares. As at December 31, 2017, there were 11,067,600 Common Shares issuable upon exercise of Options outstanding under the Option Plan, representing 2.2% of the number of current issued and outstanding Common Shares. During the financial year ended December 31, 2017, a total number of 28,201 Common Shares

were issued upon exercise of Options, representing 0.01% of the number of issued and outstanding Common Shares as at December 31, 2017.

Grants of Options and Assignability

At the time of grant, the Board will determine the exercise price of an Option granted pursuant to the Option Plan, which exercise price cannot be less than the five-day volume weighted average trading price of the Common Shares on the TSX (or such other stock exchange on which the Common Shares may be listed) immediately preceding the date of grant.

Options granted under the Option Plan are not assignable.

Term, Vesting and Exercise of Options

Options granted pursuant to the Option Plan prior to May 8, 2014 have a term not exceeding five years and Options granted after May 8, 2014 have a term not exceeding seven years. Options vest and are exercisable as to one-quarter on each of the first, second, third and fourth anniversaries of the grant date, unless otherwise determined by the Board.

If Options cannot be exercised due to a Black-Out Period (being a period of time when, pursuant to the policies of Athabasca, any securities of Athabasca may not be traded by that holder) at any time within the three business day period prior to the normal expiry date of the Options, the expiry date of those Options will be extended by seven business days following the end of the Black-Out Period (or such longer period as is permitted by the TSX or such stock exchange on which the Common Shares may be listed).

Termination

Unless the Corporation and Optionee agree otherwise in an option agreement or other written agreement (such as an employment agreement), each Option will terminate:

- (a) if an Optionee dies, on the date that is determined by the Board, which cannot be more than twelve months from the date of death and, in the absence of a determination to the contrary, on the date that is twelve months from the date of death;
- (b) if the Optionee ceases to be a service provider to the Athabasca Group (other than by reason of death or termination for cause), on the expiry of the period not in excess of six months as prescribed by the Option Committee at the time of the grant, following the date that the Optionee ceases to be a service provider to the Athabasca Group and, in the absence of any determination to the contrary, ninety days following the date that the Optionee ceases to be a service provider to any of the entities comprising the Athabasca Group; and

- (c) if the Optionee is terminated for cause, immediately on the date of such termination (whether notice of such termination occurs verbally or in writing).

The number of Common Shares that an Optionee (or his or her heirs or successors) will be entitled to purchase until such date of termination is: (i) in the case of the death of an Optionee, all of the Common Shares that may be acquired on exercise of the Options held by such Optionee (or his or her heirs or successors) whether or not previously vested, and the vesting of all such Options shall be accelerated on the date of death for such purpose; and (ii) in any case other than death or termination for cause, the number of Common Shares which the Optionee was entitled to purchase on the date the Optionee ceased to be a service provider.

Surrender Offer

The Option Plan provides that an Optionee may make an offer (a “**Surrender Offer**”), at any time, for the disposition and surrender by the Optionee to Athabasca of any Option for an amount not to exceed the five-day volume weighted average trading price of the Common Shares on the TSX (or such other stock exchange on which the Common Shares may be listed) on the date of the Surrender Offer less the exercise price of the Options that are specified in the Surrender Offer. The Corporation may accept or reject a Surrender Offer, in its sole discretion.

Change of Control

The Option Plan provides that, subject to any provision to the contrary contained in an option agreement or other written agreement (such as an employment agreement) between the Corporation and an Optionee, if there is a “Change of Control” of the Corporation (as defined below), all issued and outstanding Options will be exercisable (whether or not then vested) immediately prior to the time such Change of Control takes place and will terminate on the 90th day after the Change of Control occurs, or at such earlier time as may be established by the Board, in its absolute discretion, prior to the Change of Control.

For the purposes of the Option Plan, a “**Change of Control**” means: (i) a successful takeover bid; or (ii) (A) any change in the beneficial ownership or control of the outstanding securities or other interests of the Corporation which results in: (I) a person or group of persons “acting jointly or in concert” (within the meaning of Multilateral Instrument 62-104); or (II) an affiliate or associate of such person or group of persons, holding, owning or controlling, directly or indirectly, more than 50% of the outstanding voting securities or interests of the Corporation; and (B) members of the Board who are members of the Board immediately prior to the earlier of such change and the first public announcement of such change cease to constitute a majority of the Board at any time within sixty days of such

change; or (iii) directors who were directors prior to the occurrence of the transaction, transactions, elections or appointments giving rise to a Change of Control no longer constituting a majority of the Board; or (iv) the winding up of the Corporation or the sale, lease or transfer of all or substantially all of the assets (being greater than 90% of the aggregate of the net working interest reserves and best estimate contingent resources of the Corporation and its subsidiaries, on a consolidated basis) to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of the Corporation is continued and where the shareholdings or other securityholdings, as the case may be, in the continuing entity and the constitution of the board of directors or similar body of the continuing entity is such that the transaction would not be considered a “Change of Control” if paragraph (ii) above was applicable to the transaction); or (v) any determination by a majority of the Board that a Change of Control has occurred or is about to occur and any such determination shall be binding and conclusive for all purposes of the Option Plan.

Revised Option Change of Control Terms

In order to provide the Corporation with an employee retention mechanism in the event of a Change of Control, on March 27, 2012, the Board approved certain changes to the forms of Option agreement (the “**Revised Option Agreements**”) entered into between the Corporation and Optionees under which Options are granted. The Revised Option Agreements provide that if an Optionee is provided with a notice in writing by the Corporation that the Optionee’s employment or service with the Corporation will be terminated within thirty days of the date of a Change of Control (an “**Optionee Termination Notice**”), then the Options granted pursuant to an applicable Revised Option Agreement will vest immediately and will be terminated on the 90th day after the Change of Control or such earlier time as may be established by the Board prior to the time that the Change of Control takes place.

If an Optionee is not provided with an Optionee Termination Notice and will continue to be employed by the Corporation or its successor following the Change of Control, then the vesting of the Options granted pursuant to an applicable Revised Option Agreement will not be accelerated as a result of a Change of Control. Instead, such Optionee’s unvested, unexercised Options will terminate at the time that is the first to occur of: (i) the Change of Control; (ii) the expiration date of the Options; or (iii) the earlier termination of the Options in connection with the cessation of the Optionee’s service to the Athabasca Group. In this event, any applicable Option Cash Bonus Agreement (as defined below) between Athabasca and an Optionee will become effective, as described below (the revisions described in this paragraph are referred to herein as the “**Revised Change of Control Provisions**”).

Option Cash Bonus Agreements

Optionees that have been granted Options pursuant to a Revised Option Agreement (including NEOs) have also entered into cash bonus agreements (“**Option Cash Bonus Agreements**”) with the Corporation which provide the Optionees with the right to receive cash amounts (an “**Option Cash Bonus**”) if they are not provided with an Optionee Termination Notice and they continue to be a service provider to the Athabasca Group following a Change of Control. Pursuant to the Option Cash Bonus Agreements, if an Optionee remains in the continuous employ or service of the Athabasca Group from the date of a Change of Control until a vesting date that is set out in an applicable Revised Option Agreement (an “**Option Bonus Vesting Date**”), then an Option Cash Bonus (calculated in accordance with the formula that is set forth below) divided by the number of Option Bonus Vesting Dates described in the applicable Revised Option Agreement, shall be paid by the Corporation to the Optionee on each such Bonus Vesting Date:

(A x B) + C where:

- (i) “A” equals the number of Options that had not vested as at the date of the termination of the Options pursuant to the Revised Change of Control Provisions (“**Unvested Options**”);
- (ii) “B” equals the difference, if positive, between the consideration per Common Share received by the holders of Common Shares pursuant to the transaction that constitutes a Change of Control and the exercise price per Unvested Option that is provided in the applicable Revised Option Agreement;
- (iii) “C” equals
$$\frac{[(Ax B)/2] \times \text{Marginal Tax Rate}}{1 - \text{Marginal Tax Rate}};$$
- (iv) “Marginal Tax Rate” means the ordinary rate of income tax charged on the Service Provider’s last dollar of income.

Additionally, pursuant to the Option Cash Bonus Agreements, if an Optionee remains in the continuous employ or service of the Athabasca Group from the date of a Change of Control until either the second or third anniversary of the date of the Change of Control (depending on which period is specified in the applicable Option Cash Bonus Agreement), any remaining Option Cash Bonus which has not previously been paid to the Optionee in accordance with the above shall be accelerated and paid to such Optionee on the second or third anniversary of the date of the Change of Control (again, depending on which period is specified in the applicable Option Cash Bonus Agreement).

Anti-Dilution

The Option Plan contains anti-dilution provisions which allow the Board to make adjustments to the Option Plan and to Options

granted under the Option Plan that the Board deems appropriate to prevent substantial dilution or enlargement of rights granted to Optionees. The Board may make the aforementioned adjustments in the event of: (i) any change in the Common Shares of the Corporation through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; (ii) a grant of rights to holders of Common Shares to purchase Common Shares at prices substantially below fair market value; or (iii) any recapitalization, merger, consolidation or otherwise, the Common Shares are converted into or exchangeable for any other securities or property, and an Optionee will be bound by such adjustments.

If the Corporation fixes a record date for a distribution to all or substantially all the holders of the Common Shares of cash or other assets (other than a dividend in the ordinary course of business), the Board may make adjustments to the exercise price of any Options outstanding on the record date for such distribution, and make such amendments to any option agreements outstanding under the Option Plan to give effect thereto as the Board considers to be appropriate in the circumstances.

Amendments

The Board may amend or discontinue the Option Plan at any time without shareholder approval or the consent of an Optionee, provided that such amendment does not adversely alter or impair any Option previously granted under the Option Plan or any related option agreement, except as otherwise permitted by the Option Plan; however, the Board may not amend the Option Plan or any Option granted under it without shareholder and, if applicable, TSX approval: (i) to increase the maximum number of Common Shares issuable pursuant to the Option Plan; (ii) to reduce the exercise price of an Option or cancel an Option and subsequently issue the holder of such Option a new Option in replacement thereof; (iii) to extend the term of an Option; (iv) to permit the assignment or transfer of an Option other than as provided for in the Option Plan; (v) to add to the categories of persons eligible to participate in the Option Plan; (vi) to make any amendment to increase the maximum limits on the number of securities that may be issued to insiders (as defined by the TSX for this purpose); (vii) to make any amendment to increase the maximum number of Common Shares issuable on exercise of Options to directors who are not officers or employees of the Corporation; or (viii) to remove or amend the restrictions on amendments that are provided in the Option Plan.

DEFERRED SHARE UNIT PLAN

General

Effective March 11, 2015, upon the recommendation of the Compensation and Governance Committee, the Board approved the adoption of a new DSU Plan for directors of the Corporation.

Pursuant to the DSU Plan, members of the Board (“**Participants**”) may be granted and/or elect to receive, as applicable, DSUs of the Corporation, being a right to a cash payment on a deferred basis equivalent to the Fair Market Value (as defined below) of a Common Share on the terms contained in the DSU Plan summarized below.

Purpose of the DSU Plan

The purposes of the DSU Plan are to: (i) promote greater alignment of the interests between the directors of the Corporation and its shareholders by providing a means to accumulate a financial interest in the Corporation that corresponds to the risk, responsibility and commitment of directors; (ii) support compensation that is competitive and rewards long-term success of the Corporation as measured in TSR; and (iii) attract and retain qualified individuals with the experience and ability to serve as directors.

Administration of the DSU Plan

The DSU Plan is administered by the Compensation and Governance Committee, or such other committee of the Board as may be appointed by the Board. If a committee is not appointed by the Board to administer the DSU Plan, the references to the Compensation and Governance Committee in the following summary of the DSU Plan, are deemed to be references to the Board.

Grants of Deferred Share Units

Subject to the DSU Plan, the Compensation and Governance Committee will determine the number of DSUs to be granted to each Participant for each year, and the date that the grant becomes effective. In certain cases where a Participant becomes a member of the Board after DSUs have been granted to other Board members for that year, DSUs may be granted as of the date of appointment as a member of the Board and in such amount as determined by the Compensation and Governance Committee. The Compensation and Governance Committee may also determine from time to time that special circumstances justify a grant to a Participant of DSUs in addition to other compensation to which the Participant is entitled and determine to approve a grant of DSUs to the Participant.

The DSU Plan also allows the Compensation and Governance Committee to grant DSUs to a director, who is not also a full time employee of the Corporation or a subsidiary of the Corporation (“**Athabasca Entity**”), who has elected to receive all or part of their annual remuneration (the “**Deferred Remuneration**”) in the form of DSUs. Such annual remuneration includes all cash amounts payable by the Corporation to a Participant in any year for service as a Board member including, without limitation, the annual base retainer fee for serving as a Board member, the annual retainer fee for the Chairman of the Board, the annual retainer fee for serving as a member of a Board committee, the

annual retainer fee for chairing a Board committee, and the fees, if any, for attending meetings of the Board or Board committees. Such annual remuneration does not include amounts received by a director as reimbursement for expenses incurred in attending meetings of the Board or a Board committee.

Upon a grant of DSUs, the Corporation will credit DSUs to the Participant’s account on the date determined by the Committee in respect of an annual grant of DSUs, on the date determined by the Board in respect of a discretionary grant, and/or on the date the Participant’s annual remuneration would otherwise be payable, as applicable. The number of DSUs (including fractional DSUs) to be credited to a Participant’s account will be determined by dividing the amount of the Participant’s Deferred Remuneration by the Fair Market Value per Common Share on the date the DSUs are credited to the Participant’s account.

For the purpose of the DSU Plan, “**Fair Market Value**” means the volume weighted average trading price of the Common Shares on the TSX for the 20 trading days immediately preceding the day on which the Fair Market Value is to be determined. For this purpose, the weighted average trading price shall be calculated by dividing the total value by the total volume of Common Shares traded for such period.

Dividends

If dividends are paid on the Common Shares before the maturity date of the DSUs, such dividends will be credited as DSUs to the Participant’s account as of the dividend payment date. The number of DSUs credited to the Participant’s account will be determined by dividing the aggregate dollar amount of the dividends notionally payable in respect of such number of Common Shares equal to the number of DSUs in the Participant’s account, divided by the Fair Market Value per Common Share as of the dividend payment date.

Vesting and Assignability

DSUs will vest immediately upon being credited to the Participant’s account and are not transferable or assignable other than by will or the laws of descent and distribution.

Redemption of DSUs

Following the date on which the Participant ceases to hold all positions with an Athabasca Entity (and where the Participant is a US taxpayer, the date on which a separation from service with the Corporation takes place) (the “**Termination Date**”), and except as a result of death, all DSUs credited to the Participant’s account will be redeemed as of the maturity date. The maturity date for directors who are US taxpayers will be the Termination Date. For directors who are not US taxpayers, the maturity date will be December 1st of the calendar year immediately following the year of the Termination Date, unless a director files with the Corporation an irrevocable maturity date acceleration election

subsequent to the Termination Date electing an earlier maturity date. Such accelerated maturity date elected by a director may not: (i) be later than December 1st of the calendar year immediately following the year in which the Termination Date falls; (ii) precede the date of the election; or (iii) except in the case of a director who resigns pursuant to the Corporation's "majority voting" or similar policy in force from time to time, who otherwise fails to be elected as a director at any meeting of shareholders after having been included as a nominee in the Corporation's management information circular for such meeting or who is removed from office by a vote of shareholders, be earlier than the 180th day following the Termination Date.

Following the maturity date, the Corporation makes a lump sum cash payment, net of any applicable withholdings, to the Participant equal to the number of DSUs credited to the Participant's account as of the Termination Date multiplied by the Fair Market Value per Common Share determined as at the maturity date.

Upon redemption of DSUs, Participants have no further rights respecting any DSUs that have been redeemed and the DSUs are deemed cancelled.

Death of Participant

If a Participant dies while in office, or after ceasing to hold any position with an Athabasca Entity but before the maturity date, the Corporation will make a lump sum cash payment to the Participant's legal representative within 90 days of the Participant's death. The lump sum cash payment will be equal to

the number of DSUs in the Participant's account as of the date of the Participant's death, multiplied by the Fair Market Value of the Common Share determined at the date of death, net of any applicable withholdings.

Amendments

The Compensation and Governance Committee may amend, suspend or terminate the DSU Plan or any portion thereof at any time in accordance with applicable legislation, and subject to any required regulatory or shareholder approval; provided that no amendment, suspension or termination may materially adversely affect any DSUs, or any rights pursuant thereto, granted previously to any Participant without the consent of that Participant. Notwithstanding the foregoing, any amendment of the DSU Plan must ensure that the DSU Plan is continuously excluded from the salary deferral arrangement rules under the *Income Tax Act* (Canada) or any successor rules, and comply with any guidance issued under U.S. Internal Revenue Code of 1986, as amended, section 409A as applicable to Participants who are taxpayers of the United States of America.

With the consent of the Participant affected thereby, the Compensation and Governance Committee may amend or modify any outstanding DSU in any manner to the extent that the Compensation and Governance Committee would have had the authority to initially grant the award as so modified or amended, provided that any such amendment complies with any guidance issued under U.S. Internal Revenue Code of 1986, as amended, section 409A as applicable to Participants who are taxpayers of the United States of America.

Appendix E

ATHABASCA OIL CORPORATION BOARD OF DIRECTORS MANDATE

GENERAL

The board of directors (**Board**) of Athabasca Oil Corporation (**Company**) is responsible for managing or supervising the management of the business and affairs of the Company. In the discharge of this responsibility, the Board is responsible for appointing the executive officers (**Executive Officers**) who are responsible for the day-to-day management of the business and affairs of the Company within the strategic direction approved by the Board.

In discharging their duties, the directors shall: (a) act honestly and in good faith with a view to the best interests of the Company; (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and (c) comply with the *Business Corporations Act* (Alberta) and the Company's articles and bylaws.

The Board has the oversight responsibility and specific duties described below. In addition, individual directors have the responsibility and specific duties set out in the Individual Director Mandate and any other Mandate or Position Description that applies to them.

COMPOSITION

The Board will be comprised of between three (3) and eleven (11) directors, as determined by the shareholders.

A majority of the Company's directors will be "independent" within the meaning of National Instrument 58-101 (**NI 58-101**) issued by the Canadian Securities Administrators or its successor instrument.

All Board members will have the skills and abilities appropriate to their appointment as directors. It is recognized that the right mix of experiences and competencies will aid in ensuring that the Board will carry out its duties and responsibilities in the most effective manner.

Except as set out in the articles or bylaws, Board members will be elected at the annual meeting of the Company's shareholders each year and will serve until their successors are duly elected.

RESPONSIBILITY

The Board is responsible for the stewardship of the Company and the Company's strategy, providing independent, effective leadership to supervise the management of the Company's business and affairs.

SPECIFIC DUTIES

The Board will:

Leadership

1. Provide leadership and vision to supervise the management of the Company in managing the Company and its subsidiaries in the best interests of the Company's shareholders.
2. In conjunction with the Chief Executive Officer (**CEO**), provide leadership in the development of the Company's mission, vision, principles, values, Strategic Plan and Annual Operating and Capital Plan.

Strategy

3. Approve the development of the Company's strategic direction.
4. Adopt a strategic planning process and, at least annually, approve a Strategic Plan for the Company to maximize shareholder value that takes into account, among other things, the opportunities and risks of the Company's business.
5. Monitor the Company's performance in light of the approved Strategic Plan.

CEO

6. Select, appoint, evaluate and, if necessary, terminate the CEO.
7. Receive and approve recommendations on appropriate or required CEO competencies and skills from the Compensation and Governance Committee ("**CG Committee**").
8. Approve or develop the corporate objectives that the CEO is responsible for meeting and assess the CEO against those objectives.

Succession and Compensation

9. Review and approve the Company's succession plan, including appointing, training and monitoring the performance of senior management of the Company.
10. With the advice of the CG Committee, approve the compensation of senior management and approve appropriate compensation programs for the Company's employees.

Corporate Social Responsibility, Ethics and Integrity

11. Provide leadership to the Company in support of its commitment to corporate social responsibility.
12. Foster ethical and responsible decision-making by management.
13. Set the ethical tone for the Company and its management.
14. Take all reasonable steps to satisfy itself of the integrity of the CEO and management and satisfy itself that the CEO and management create a culture of integrity throughout the organization.
15. At the recommendation of the CG Committee, approve the Company's Code of Business Ethics and Conduct.
16. Monitor compliance with the Company's Code of Business Ethics and Conduct and grant and disclose, or decline, any waivers of the Code of Business Ethics and Conduct for officers and directors.
17. With the CG Committee and/or the Audit Committee and the Board Chair and/or Lead Director (if a Lead Director has been appointed), as appropriate, respond to potential conflict of interest situations.

Governance

18. With the CG Committee, develop the Company's approach to corporate governance, including adopting a Corporate Governance Policy that sets out the principles and guidelines applicable to the Company.
19. At least annually, as the CG Committee decides, receive for consideration each Board committee's (**Board Committee**) evaluation and any recommended changes, together with the evaluation and any further recommended changes of another Board Committee, if relevant, to the Company's governance and related policies including the Board and Board Committee mandates.
20. With the CG Committee, ensure that the Company's governance practices and policies are appropriately disclosed.
21. At the recommendation of the CG Committee, annually determine those directors to be designated as independent and ensure appropriate disclosures are made.
22. At the recommendation of the CG Committee, annually determine those directors on the Audit Committee possessing "financial literacy" under applicable law and ensure appropriate disclosures are made.

Communications, Disclosure and Compliance

23. Adopt an External Communications Policy for the Company that addresses disclosure matters and matters related to trading in the Company's securities.

24. At least annually, review the External Communications Policy and consider any recommended changes.
25. Ensure policies and procedures are in place to ensure the Company's compliance with applicable law, including timely disclosure of relevant corporate information and regulatory reporting.
26. Establish and disclose a process to permit stakeholders to directly contact the independent directors as a group.

Health, Safety and Environmental Leadership

27. Possess oversight responsibilities with respect to the development, monitoring, reporting and effective implementation of systems, programs and initiatives for the management of health, safety, security and environment matters that may affect the Company.
28. Encourage, assist and counsel management in maintaining and improving and dealing with current and emerging issues in health, safety, security and environment.
29. Lead discussions of current and emerging issues (including the establishment of appropriate plans) relevant to the Company's operations with respect to health, safety, security and environment.

Health, Safety and Environmental Performance

30. Review a report from management with respect to operational risks, health, safety, security and environment at each regularly scheduled meeting. This report will provide an update of current activities and an analysis of performance compared with annual plans and objectives. Review reports prepared by management with respect to any extraordinary event or condition involving significant environmental damage, significant risk to public health or safety, major public controversy, material liability, or potential therefore.
31. Consider the recommendations of management in its reports, assess proposed action plans.
32. Review any other reports the Board deems appropriate, including internal and external audit reports including the findings of any significant examination by regulatory agencies concerning the Company's physical assets, health, safety, security or environment matters.

Health, Safety and Environmental Compliance and Risk

33. Monitor compliance and risk with applicable law related to health, safety, security and environment.
34. Monitor compliance and risk with the Company's policies related to health, safety, security and environment.

35. Assess the impact of proposed or enacted laws and regulations related to health, safety, security and environment.

Health, Safety and Environmental Risk Management

36. Take reasonable steps to ensure that there are long range preventative programs in place to limit the potential for future liability. Review reports required to adequately monitor the long range preventative programs.
37. Take reasonable steps to oversee strategies for risk mitigation and to ensure all necessary corrective measures are taken by the Company when health, safety, security or environment issues are identified.
38. Review with management health, safety, security and environment emergency response planning procedures of the Company.
39. Periodically review the health, safety, security and environment policies of the Company.
40. Monitor current, pending or threatened legal actions by or against the Company related to matters of health, safety, security and environment.

Board Chair

41. Annually appoint the Chair of the Board.

Lead Director

42. If the Chair of the Board is not “independent” within the meaning of NI 58-101 or its successor instrument, then the Board will appoint an independent Lead Director. In appropriate circumstances, at its discretion, the Board may also appoint a Lead Director to assist an independent Board Chair to ensure Board leadership and responsibilities are conducted in a manner to further enhance the Board’s effectiveness and independence.

Committees

43. Appoint an Audit Committee with the responsibility to assist the Board in fulfilling its audit oversight responsibilities with respect to: (i) the integrity of annual and quarterly financial statements to be provided to shareholders and regulatory bodies; (ii) compliance with accounting and finance based legal and regulatory requirements; (iii) the external auditor’s qualifications, independence and compensation, and communicating with the external auditor; (iv) the system of internal accounting and financial reporting controls that management has established; and (v) performance of the external audit process and of the external auditor. The Audit Committee will also have the responsibility to assist the Board in fulfilling its financial oversight responsibilities with respect to: (i) financial

policies; (ii) financial risk management practices; and (iii) transactions or circumstances which could materially affect the financial profile of the Company.

44. Appoint the CG Committee with the responsibility to assist the Board in fulfilling its governance oversight responsibilities with respect to: (i) the development and implementation of principles and systems for the management of corporate governance; (ii) identifying qualified candidates and recommending nominees for director and Board Committee appointments; (iii) evaluations of the Board, Board Committees, all individual directors, the Board Chair, the Lead Director (if a Lead Director has been appointed) and Board Committee Chairs; and (iv) implementation and effectiveness of, and the compliance programs under, the Code of Business Ethics and Conduct. The CG Committee will also have the responsibility to assist the Board in fulfilling its compensation oversight responsibilities with respect to: (i) key compensation and human resources policies; (ii) CEO objectives, performance reviews and compensation; (iii) executive management compensation; (iv) executive management succession and development; and (v) reviewing executive compensation disclosure before its release.
45. Appoint a Reserves Committee with the responsibility to assist the Board in fulfilling its reserves and resources oversight responsibilities with respect to the evaluation and reporting of the Company’s oil and gas reserves and resources and related matters including by reviewing and making recommendations to the Board with respect to: (i) the reserves data (oil and gas reserves and associated future net revenues) and resources data of the Company that will be made publicly available and filed with applicable regulatory authorities; and (ii) the Company’s procedures relating to the disclosure of information with respect to oil and gas activities.
46. In the Board’s discretion, appoint any other Board Committees that the Board decides are needed or beneficial, and delegate to those Board Committees any appropriate powers of the Board.
47. In the Board’s discretion, annually appoint the Chair of each Board Committee.

Delegations and Approval Authorities

48. Annually delegate approval authorities to the CEO and review and revise them as appropriate.
49. Consider and, in the Board’s discretion, approve financial commitments in excess of delegated approval authorities.
50. Require the Audit Committee to recommend to the Board for consideration the annual and quarterly results, financial

statements, MD&A and earnings related news releases prior to filing them with or furnishing them to the applicable securities regulators and prior to any public announcement of financial results for the periods covered.

51. Consider and, in the Board's discretion, approve any matters recommended by the Board Committees.
52. Consider and, in the Board's discretion, approve any matters proposed by management.

Annual Operating and Capital Plan

53. At least annually, approve an Annual Operating and Capital Plan for the Company including business plans, operational requirements, financing plans, organizational structure, staffing and budgets, which support the Strategic Plan.
54. Monitor the Company's performance in light of the approved Annual Operating and Capital Plan.
55. Review the Company's financial strategy considering current and future business needs, capital markets and the Company's credit rating (if any).
56. Review the Company's capital structure including debt and equity components, current and expected financial leverage, and interest rate and foreign currency exposures.

Risk Management

57. Ensure policies and procedures are in place to: identify the principal business risks and opportunities of the Company; address what risks are acceptable to the Company; and ensure that appropriate systems are in place to manage the risks.
58. Discuss with management major financial risk exposures, including those arising from the Company's exposure to changes in interest rates, foreign currency exchange rates and credit. Review the management of these risks including any proposed hedging of the exposures. Review a summary report of the hedging activities including a summary of the hedge-related instruments
59. Ensure policies and procedures designed to maintain the integrity of the Company's disclosure controls and procedures are in place.
60. As required by applicable law, ensure policies and procedures designed to maintain the integrity of the Company's internal controls over financial reporting and management information systems are in place.
61. Ensure policies and procedures designed to maintain appropriate auditing and accounting principles and practices are in place.
62. Ensure policies and procedures designed to maintain appropriate safety, environment and social responsibility principles and practices are in place.

63. Periodically review and consider changes to the Company's dividend policy.

64. Review proposed dividends to be declared.

Transactions

65. Review any proposed issues of securities of the Company or proposed issues of securities of the subsidiaries of the Company to parties not affiliated with the Company. When applicable, review the related securities filings.
66. Review any proposed material issues of debt including public and private debt, credit facilities with banks and others, and other credit arrangements such as capital and operating leases. When applicable, review the related securities filings.
67. Receive reports from management on significant, non-material issues of or changes to debt including public and private debt, credit facilities with banks and others, and other credit arrangements such as capital and operating leases.
68. Review any proposed repurchases of shares, public and private debt or other securities.

Orientation / Education

69. With the CG Committee, oversee the development and implementation of a director orientation program covering the role of the Board and the Board Committees, the contribution individual directors are expected to make and the nature and operation of the Company's business.
70. With the CG Committee, oversee the development and implementation of an ongoing director education program designed to maintain and enhance skills and abilities of the directors and to ensure their knowledge and understanding of the Company's business remains current.

Board Performance

71. Oversee the process of the CG Committee's annual evaluation of the performance and effectiveness of the Board, Board Committees, all individual directors, the Board Chair, the Lead Director (if a Lead Director has been appointed) and the Board Committee Chairs, in light of the applicable Mandates and Position Descriptions.
72. Participate in an annual evaluation of Board performance by the CG Committee.
73. Receive and consider a report and recommendations from the CG Committee on the results of the annual evaluation of the performance and effectiveness of the Board, Board Committees, all individual directors, the Board Chair, the Lead Director (if a Lead Director has been appointed) and the Board Committee Chairs.

Board Meetings

- 74. Meet at least four times annually and as many additional times as needed to carry out its duties effectively. The Board may in appropriate circumstances hold meetings by telephone conference call.
- 75. Meet in separate non-management and independent director only “in camera” sessions at each regularly scheduled meeting.
- 76. Meet in separate, non-management and/or independent director only closed sessions with any internal personnel or outside advisors, as needed or appropriate.

Advisors/Resources

- 77. Retain, oversee, compensate and terminate independent advisors to assist the Board in its activities.
- 78. Receive adequate funding for independent advisors and ordinary administrative expenses that are needed or appropriate for the Board to carry out its duties.

Other

- 79. To honour the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to

this Mandate is delegated to the Corporate Secretary, who will report any amendments to the CG Committee at its next meeting.

- 80. Once or more annually, as the CG Committee decides, this Mandate will be evaluated and updates recommended to the Board for consideration.

Standards of Liability

Nothing contained in this Mandate is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board or members of any Board Committee. The purposes and responsibilities outlined in this Mandate are meant to serve as guidelines rather than inflexible rules and, subject to applicable law and the articles and bylaws of the Company, the Board may adopt such additional procedures and standards, as it deems necessary from time to time to fulfill its responsibilities.

Approved: December 11, 2009

Revised: May 11, 2015 and December 6, 2017

ATHABASCA

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