ATHABASCA

OIL CORPORATION

Notice of Annual General Meeting of Shareholders To be held on May 9, 2019 and Information Circular – Proxy Statement

Dated April 11, 2019

ATHABASCA OIL CORPORATION

Notice of Annual General Meeting of Shareholders to be held on May 9, 2019.

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

Date:
Thursday, May 9, 2019

Time:
9:00 a.m. (Calgary time)

Record Date:
April 4, 2019

Agenda

1. receive and consider the financial statements of the Corporation for the year ended December 31, 2018 and the auditors' report thereon;
2. fix the number of directors to be elected at the Meeting at seven;
3. elect the directors of the Corporation;
4. appoint Ernst & Young LLP as the auditors of the Corporation and authorize the directors to fix their remuneration as such; and
5. 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 April 4, 2019 will be entitled to vote at the Meeting.

DATED at Calgary, Alberta, April 11, 2019.

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 Meeting of Shareholders to be held on May 9, 2019 (the "Meeting")

Dated April 11, 2019

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 April 4, 2019 (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 April 11, 2019. 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 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 522,420,494 Common Shares issued and outstanding. The holders of Common Shares are entitled to one vote for each Common Share held. The board of directors of the Corporation (the "**Board**") has fixed the Record Date for the meeting as the close of business on April 4, 2019.

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)
Equinor Canada Ltd.	Record and Beneficial	100,000,000 Common Shares (19.1%)(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 522,420,494 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, 2018 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 seven 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 seven. 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 seven. This number may be adjusted between shareholders' meetings by way of resolution of 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 seven 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 seven nominees as directors of the Corporation: Ronald Eckhardt, Bryan Begley, Robert Broen, Anne Downey, Thomas Ebbern, 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.

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 the Corporation's auditors on April 16, 2007.

See "Audit Committee" in the Corporation's annual information form for the year ended December 31, 2018, 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, 2018 (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:

- Reserves

Mr. Eckhardt is an independent businessman with over forty years of diverse experience in the oil and gas industry including as Executive Vice President, North American Operations of Talisman Energy Inc. Mr. Eckhardt presently also serves on the board of directors and is the Chair of the reserves committee of NuVista Energy Ltd.

2018 Board and Committee Meeting Attendance:

	Meeting Attendance[2]
Board (Chair)	5 of 5 (100%)
Reserves	2 of 2 (100%)
Audit	4 of 4 (100%)
Compensation & Governance	4 of 4 (100%)

Ownership:

	December 31, 2018
Common Shares Owned, Controlled or Directed	340,000
Deferred share units ("**DSUs**")	630,373
2010 RSUs	18,750
Total Market Value of Common Shares, DSUs and 2010 RSUs[1]	$977,357

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

2018 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	4 of 5 (80%)
Reserves	2 of 2 (100%)
Compensation & Governance	3 of 4 (75%)

Ownership:

	December 31, 2018
Common Shares Owned, Controlled or Directed	500,010
DSUs	434,905
Total Market Value of Common Shares and DSUs[(1)]	$925,566

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 has been a director and President and Chief Executive Officer of the Company since April 2015. He previously held the roles of Chief Operating Officer of Athabasca and Senior Vice-President, North American Shale at Talisman Energy Inc. and the President and a director of Talisman Energy USA Inc.

2018 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	5 of 5 (100%)
Reserves	2 of 2 (100%) (non-member)
Compensation & Governance	4 of 4 (non-member)
Audit	4 of 4 (non-member)

Ownership:

	December 31, 2018
Common Shares Owned, Controlled or Directed	1,048,915
Options	4,323,100
2010 RSUs	154,567
2015 RSUs	918,332
Performance Awards	1,424,500
EPSP units	94,089
Total Market Value of Common Shares, Options, 2010 RSUs, 2015 RSUs, Performance Awards and EPSP units(1),(3)	$3,214,576

Anne Downey

Director
Alberta, Canada

Status: Not Independent[4]

Director since: September 1, 2017

Other Public Company Board Memberships:
- None

Current Committee Memberships:
- Reserves (Chair)[5]

Ms. Downey brings 40 years of upstream oil and gas experience including as the Vice President Operations at Statoil Canada responsible for oil sands asset development, operations and technology strategy and implementation until 2017. Ms. Downey was an Industry Member appointee to the Alberta Government's Oil Sands Advisory Group and previously held senior technical and management roles at Gulf Canada and Petro-Canada.

2018 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	5 of 5 (100%)
Reserves	2 of 2 (100%)

Ownership:

	December 31, 2018
Common Shares Owned, Controlled or Directed	17,300
DSUs	238,006
Total Market Value of Common Shares and DSUs[1]	$252,752

Thomas Ebbern

Director
Alberta, Canada

Status: Independent

Director since: May 9, 2018

Other Public Company Board Memberships:
- None

Current Committee Memberships:
- Audit
- Compensation and Governance

Mr. Ebbern has been the Chief Financial Officer of North West Refining since January 2012. Previously, Mr. Ebbern was Managing Director of Energy Investment Banking for Macquarie Capital Markets Canada and a senior partner at Tristone Capital. Mr. Ebbern previously served on the boards of both Nexen Inc. and Talisman Energy Inc.

2018 Board and Committee Meeting Attendance[6]:

	Meeting Attendance
Board	3 of 4 (75%)
Audit	2 of 3 (67%)
Compensation & Governance	2 of 2 (100%)

Ownership:

	December 31, 2018
Common Shares Owned, Controlled or Directed	100,000
DSUs	112,494
Total Market Value of Common Shares and DSUs[1]	$210,369

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

Since May 2016, Mr. Fierro has served as a senior advisor to Guggenheim Securities, the investment banking arm of Guggenheim Partners. Mr. Fierro also serves on the board of directors and audit and conflicts committee of Shell Midstream Partners, GP LLC. Mr. Fierro was previously the Managing Director and Global Head of the Natural Resources Group for Barclays PLC.; the Global Head of the National Resources Group of Lehman Brothers; and a transactional lawyer with Baker Botts LLP.

2018 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	5 of 5 (100%)
Audit	4 of 4 (100%)
Compensation & Governance	4 of 4 (100%)

Ownership:

	December 31, 2018
Common Shares Owned, Controlled or Directed	45,157
DSUs	525,462
2010 RSUs	5,146
Total Market Value of Common Shares, DSUs and 2010 RSUs[(1)]	$569,473

Marshall McRae

Director
Alberta, Canada

Status: Independent

Director since: October 30, 2009

Other Public Company Board Memberships:
- Gibson Energy Inc.
- Source Energy Services Ltd.

Current Committee Memberships:
- Audit (Chair)

Mr. McRae has been an independent financial and management consultant since August 2009. Mr. McRae serves as a director and the Chair of the audit committee of Gibson Energy Inc. and as a director and chair of the audit committee of Source Energy Services Ltd. Mr. McRae served as interim Executive Vice President and CFO of Black Diamond Group Limited from October 2013 to August 2014, as its Executive Vice President to December 2014 and served on its Board of Directors until May 2018.

2018 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	5 of 5 (100%)
Audit	4 of 4 (100%)

Ownership:

	December 31, 2018
Common Shares Owned, Controlled or Directed(7)	53,214
DSUs	402,249
2010 RSUs	37,500
Total Market Value of Common Shares, DSUs and 2010 RSUs(1)	$484,283

Notes:

(1) "Total Market Value" was determined by (a) multiplying the number of Common Shares held by the nominee as of December 31, 2018 by the closing price of the Common Shares on the TSX on such date ($0.99); adding (b) the sum of the number of Common Shares issuable upon exercise of in-the-money Options (if any) and 2010 RSUs held as of December 31, 2018 multiplied by the difference between the closing price of the Common Shares on the TSX on such date ($0.99) and the exercise price of any in-the-money Options and 2010 RSUs; and adding (c) the number of DSUs held as of December 31, 2018 multiplied by the closing price of the Common Shares on the TSX on such date ($0.99).

(2) Mr. Eckhardt was appointed to the Audit Committee on April 25, 2017 and stepped down upon Mr. Ebbern's appointment to the Audit Committee on August 1, 2018 and he attended all of the 2018 Audit Committee meetings. Mr. Eckhardt was reappointed to the Compensation and Governance Committee on November 17, 2017 and stepped down upon Mr. Ebbern's appointment to the Compensation and Governance Committee May 9, 2018 and he attended all of the 2018 Compensation and Governance Committee meetings.

(3) Mr. Broen's "Total Market Value" also includes values for Performance Awards, 2015 RSUs and EPSP units equal to the sum of the Awards and units multiplied by the closing price of the Common Shares on the TSX on December 31, 2018 ($0.99) and subject to any applicable multiplier applied to Performance Award units granted to Mr. Broen.

(4) Ms. Downey provided consulting services until June 14, 2018 in connection with the Corporation's acquisition of the Statoil Canada Ltd. ("Statoil") Leismer and Corner thermal oil assets in 2017.

(5) Ms. Downey was appointed to Reserves Committee September 1, 2017 and appointed to Reserves Chair December 6, 2017.

(6) Following his Board appointment on May 9, 2018, Mr. Ebbern attended 75% of the 2018 Board meetings (3 of 4), 100% of the Compensation and Governance meetings (2 of 2) and 67% of the Audit meetings (2 of 3).

(7) Included for Mr. McRae are 4,800 Common Shares owned by a family member of Mr. McRae, but which are controlled by him.

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

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 Black-Out 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 2018.

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.

In 2018, the Corporation retained an independent consultant, McKeon People Strategies ("**McKeon**") to conduct a review of executive and director compensation relative to the compensation programs of the Corporation's peers. It was determined that the Corporation's executive and director compensation programs are competitive and aligned with the market and the Corporation's comparator peer group.

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 B –*Description of Long-Term Equity Incentive Plans—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.

It should be noted that due to the unpredictable macro climate affecting the oil and gas sector and extreme pricing volatility experienced by Canadian producers during 2018 and in order to be consistent with the concurrent executive base salary rollback, the Corporation's directors elected to take a 10% rollback to the cash retainer portion of their compensation package effective January 1, 2019.

Cash Retainer

For the year ended December 31, 2018, 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

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 in 2018 was $150,000.

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, 2018 (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	Fees earned ($)	Share-based awards[1] ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total[2] ($)
Bryan Begley [3]	57,500	150,000	—	—	N/A	—	207,500
Anne Downey[4]	57,500	150,000	—	—	N/A	18,125	225,625
Thomas Ebbern [5]	32,280	137,500	—	—	N/A	—	169,780
Ronald Eckhardt [6]	100,000	150,000	—	—	N/A	—	250,000
Carlos Fierro [7]	50,000	150,000	—	—	N/A	—	200,000
Marshall McRae	65,000	150,000	—	—	N/A	—	215,000

Notes:

(1) The compensation reported under share-based awards is the value of DSUs granted in the year ended December 31, 2018. 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. These amounts exclude the value of any DSUs paid in lieu of director fees, as further described in footnote 3 below.

(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 2018 (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 45,660 DSUs in lieu of such fees.

(4) Other Compensation represents fees paid to Ms. Downey for consulting services provided while under contract with the Corporation. See "*Corporate – Board of Directors – Membership and Independence*".

(5) Mr. Ebbern joined the Board effective May 9, 2018. Mr. Ebbern elected to receive 100% of fees earned in the form of DSUs. As a result, Mr. Ebbern received 24,914 DSUs in lieu of such fees.

(6) Mr. Eckhardt elected to receive 100% of fees earned in the form of DSUs. As a result, Mr. Eckhardt received 79,406 DSUs in lieu of such fees.

(7) Mr. Fierro elected to receive 100% of fees earned in the form of DSUs. As a result, Mr. Fierro received 39,703 DSUs in lieu of such fees.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information regarding all Options, 2010 RSUs and DSUs held by each director, as at December 31, 2018 (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"*).

	Option-Based Awards[1]				Share-Based Awards		
Name	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	—	—	—	—	—	—	430,556
Anne Downey	—	—	—	—	—	—	235,626
Thomas Ebbern	—	—	—	—	—	—	111,369
Ronald Eckhardt	18,750	0.10	10-Sep-19	16,688	—	—	624,069
Carlos Fierro	5,146	0.10	15-Mar-19	4,580	—	—	520,207
Marshall McRae	37,500	0.10	10-Sep-19	33,375	—	—	398,227

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.

(2) The value of the unexercised 2010 RSUs has been determined by subtracting the exercise price of the 2010 RSUs from $0.99, being the closing price of the Common Shares on the TSX on December 31, 2018 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, 2018 multiplied by $0.99, being the closing price of the Common Shares on the TSX on December 31, 2018.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of option-based and share-based awards which vested during the year ended December 31, 2018 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2018 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	0	207,500	0
Anne Downey	0	150,000	0
Thomas Ebbern	0	169,780	0
Ronald Eckhardt	0	250,000	0
Carlos Fierro	4,580	200,000	0
Marshall McRae	0	150,000	0

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, 2018. 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) except as set forth below, 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.

Mr. Ebbern resigned as a director of Live Out There Inc. on November 6, 2017. Following Mr. Ebbern's resignation, Live Out There Inc. consented to the court appointment of a receiver and manager of its assets, undertakings and properties. The receivership order was granted on November 9, 2017.

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 A 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.

The Corporation initiated a targeted board renewal process commencing in 2014 with the assistance of the international search firm Korn Ferry. The seven 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 nine years, including new 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 seven 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 determined that Messrs. Begley, Ebbern, Eckhardt, Fierro and McRae are independent and were independent in 2018. Ms. Downey was not independent in 2018 as she provided consulting services following the Corporation's acquisition of the Statoil Canada Ltd. ("**Statoil**") Leismer and Corner thermal oil assets in 2017. Ms. Downey's 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 five meetings between January 1, 2018 and December 31, 2018 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, 2018 and December 31, 2018.

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.

In 2017, Athabasca appointed its first female Board member, which represents 14% 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 50% 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 and CFO.

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.

The Board believes that such previous voting results are, in part, reflective of negative investor sentiment concerning lack of market egress from Western Canada as well as the Corporation's significant strategic shift from an exploration-focused enterprise to an intermediate producer. The Corporation believes investors will be encouraged that despite unprecedented pricing volatility in 2018, Athabasca delivered strong operational results and bolstered its financial resiliency. With an improved differential environment, the Company is well positioned for 2019 and beyond.

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 Black-Out 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.

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, 2018:

Named Executive Officers
Robert Broen, President and CEO
Kimberly Anderson, CFO
Angela Avery, General Counsel and Vice President Business Development
David Stewart, Vice President Operations
Matthew Taylor, Vice President Capital Markets & Communications

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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 and sustainable 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 evolved 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 (share price performance relative to peers and key business deliverables) 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, this 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 2018 AGM, the Compensation and Governance Committee was comprised of three members: Bryan Begley, Carlos Fierro and Ronald Eckhardt, all of whom are independent. Thomas Ebbern replaced Ronald Eckhardt on the Compensation and Governance Committee on his appointment to the Board on May 9, 2018. 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.
Thomas Ebbern	Yes	Mr. Ebbern has spent the last 8 years as the CFO of North West Refining and has been responsible for managing and overseeing its compensation program and working closely with its Board of Directors and Compensation Committee. As well, Mr. Ebbern has 8 years of experience as Executive Managing Director of Tristone Capital which involved determining and managing staff compensation programs.
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 2018, the Compensation and Governance Committee retained McKeon to assist the Corporation with compensation matters including a review of executive and director compensation relative to the compensation programs of the Corporation's peers.

During 2018 Lane Caputo provided human resources consulting services assisting Athabasca with creating the tables included in this Circular and providing general human resources support and administration services.

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.

Executive Compensation-Related Fees:

	Fees Paid	
Consultant	**2017**	**2018**
Hugessen Consulting Inc.	$28,138	—
Lane Caputo	—	$ 8,000
McKeon	—	$40,000
Mercer Survey	$10,983	$12,500

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 2018 peer group was determined to be 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.
Pengrowth Energy Corporation	Spartan Energy Corp.	Surge Energy Inc.
Tamarack Valley Energy Ltd.	TORC Oil & Gas Ltd.	Whitecap Resources Inc.

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

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*".

In addition to the foregoing, the Board exercises its discretion in terms of how the various discretionary components of executive compensation packages are comprised (as set out in more detail below and in Appendix B-*Description of Long-Term Incentive Plans*) in any given year based on factors which include individual performance and prevailing market conditions. For example, in previous years the Board granted significantly reduced LTI awards due to challenging market conditions and in order to limit dilution experienced by shareholders or in years where the Corporation has undergone transformative transactions, it has granted a special one-time Options grant to create retention value for those executives who would implement those transactions and in other years, such as 2018, the Board did not grant any Option awards at all to executives.

Effective January 1, 2019, the executives elected to take a 10% base salary rollback due to the unpredictable macro climate affecting the oil and gas sector and extreme pricing volatility experienced by Canadian producers during 2018, which was approved by the Board.

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	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 2015 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. 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 2018, 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 2018, 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:

Salary × Target STI (% of Salary) × [(Corporate Scorecard Weight × Corporate Scorecard Result) + (Individual Performance Weight × Individual Performance Result)] = Annual Cash Bonus

Athabasca's 2018 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 2018, Athabasca met or exceeded the majority of its 2018 Corporate Scorecard metrics, however, the Corporation was below target on two metrics which had a slight negative impact on the overall scorecard result. Athabasca's 2018 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(1)	Achieved(1)	Rating	Weight	Contribution
Health and Safety	TRIF	1.0	0.36	150%	15%	22.5%
	ERP Drills	12	15			
	Contractor verification audits	16	20			
Average Production	Light Oil	11,661 boe/d	11,280 boe/d			
	Thermal Oil	27,653 boe/d	27,923 boe/d			
	Company Total	39,314 boe/d	39,203 boe/d	97%	25%	24.3%
Costs	Light Oil OpEx	$36.2 MM	$33.5 MM			
	Thermal Oil OpEx	$137.1 MM	$128.0 MM			
	Gross Cash G&A Costs	$50.8 MM	$47.1 MM			
	Company Total			139%	10%	13.9%
Capital Investment	Light Oil	$106.5 MM	$106.8 MM			
	Hangingstone	$89.4 MM	$77.0 MM			
	Company Total	$.1 MM	$.1 MM	131%	15%	19.6%
Capital Efficiency & Reserves Growth – Light Oil	Finding & Development Through the Drillbit	$16.63/boe	$17.42/boe	68%	5%	3.4%
	Production Efficiency (incl Carry)	$27,262/boe/d	$26,230/boe/d	113%	5%	5.6%
Corporate & Strategic Development	See below		Subjective Assessment	119%	25%	29.7%
					Total	**119.1%(2)**

Note:

(1) Target metrics and achieved results are normalized for non-controllable items such as commodity pricing impacts.

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

The Board approved a rating of 119% for Athabasca's Corporate & Strategic Development metrics as the Corporation successfully delivered on several planned corporate and strategic goals in 2018. These included business and corporate development, balance sheet optimization, human resourcing and other strategic goals.

Individual NEO Performance

Early in 2018, each executive officer developed key strategic personal deliverables in support of Athabasca's 2018 corporate objectives. In early 2019, the CEO met with each of the Corporation's executive officers as part of an annual review process to discuss and evaluate their individual 2018 performance and achievements. Following this review, the quantum of recommended cash bonus awards was 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 B—*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. In 2018, the Corporation granted executive officers (including NEOs) the following mix of equity as long-term incentive compensation:

Key Features	Performance Awards	RSUs	Options
2018 LTI Mix	50%	50%	0%
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.		
2018 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

2018 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%.

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.

However, the Board recognizes the dilutive effects of Options and exercised its discretion to not grant any Options to its NEOs 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 in future years.

RSU Plan

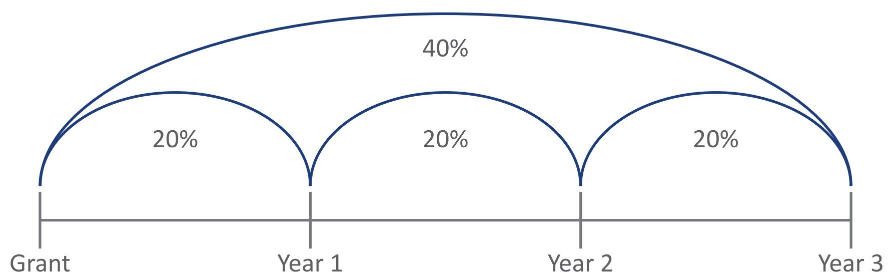
Executives and employees participate in the Corporation's RSU plans, which have included the 2010 RSU Plan and the 2015 RSU Plan. The 2015 RSU Plan allows the Board to grant RSUs, each of which is a unit that is equivalent in value to a Common Share and that upon vesting, results in the holder thereof 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 align the interests of participants with Athabasca's shareholders. The performance measures applied to awards serve to focus employees on 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 2018 Corporate Scorecard Performance*" above), with the weighting for each performance period as shown below.

Performance Periods



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%. On April 1, 2018 the Performance Awards granted by the Corporation in 2015 vested with a payout multiplier of 134%. For a more detailed discussion of the Performance Plan see Appendix B- *Description of Long-Term Equity Incentive Plans- Performance Plan.*

Other Compensation

Employee Registered Retirement Savings Plan

The Corporation has a group employee registered retirement savings plan (the "**RRSP**") to assist employees in meeting their retirement and savings goals. Under the RRSP, employees (including the NEOs) may elect to contribute between 1% and 4% of their salary to the RRSP 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 at December 31, 2018)
Less than 3	100% up to 4% of base salary	23
3 – 8, and all full-time, field-based employees	150% up to 6% of base salary	155
over 8	200% up to 8% of base salary	17

Pursuant to the RRSP, 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 RRSP. 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 RRSP all monies deposited by the Corporation shall remain under the RRSP 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 2018 Corporate Scorecard Performance*" above for specific details regarding Athabasca's 2018 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 over the last three years compared to the indicative value of those awards as at the end of 2018.

Year	Grant Date Fair Value of Awards(1)	Indicative Value of Awards as at December 31, 2018(2)	Change in Award Value as a % of Grant Date Fair Value	Athabasca Share Price Return(3)
2016	$ 947,384	$ 635,892	-33%	11%
2017	$2,959,495	$ 594,000	-80%	-35%
2018	$1,560,008	$1,416,888	-9%	-8%
Total 2016 – 2018	$5,466,887	$2,646,780	-52%	-33%

Notes:

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

(2) The actual value realized may be greater or less than the indicative value. Payout multipliers have not been assumed in calculation of indicative values.

(3) 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, 2018.

As shown in the table above, the current realizable value of Mr. Broen's 2016, 2017 and 2018 long-term incentive grants are approximately 48% of the grant date value due to the decline in Common Share price over the period, representing a 52% 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 addition, an independent analysis of the Corporation's executive compensation was performed by McKeon against its peer group to determine if the Corporation's executive compensation had an appropriate at-risk component, was in line with corporate objectives and target market position. McKeon determined that the Corporation's executive compensation was aligned with market in those respects.

In 2018, 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;
- 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; and
- an independent analysis of the Corporation's executive compensation was performed by McKeon People Strategies Ltd. against its peer group to determine if the Corporation's compensation philosophy was in line with the Corporate objectives and target market position.

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 Black-Out 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 implemented a mandatory equity ownership policy for directors and executive officers in 2014. On May 9, 2018, the Board approved amendments to the Corporation's Equity Ownership and Retention Guidelines, including provisions for non-executive directors as well as permitting the use of deferred share units for directors to meet ownership guidelines. The Equity Ownership and Retention Guidelines were also amended to adjust the equity accumulations required as follows:

Position	Share Ownership Guideline
CEO	3x Base Salary
Other NEOs	2x Base Salary
Directors	3x Annual 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. See Appendix C – "*Equity Ownership and Retention Guidelines for Non-Executive Directors and Executive Officers*" for a detailed description of the guidelines. As at December 31, 2018 the Corporation's directors and executives are in compliance with the Equity Ownership and Retention Guidelines.

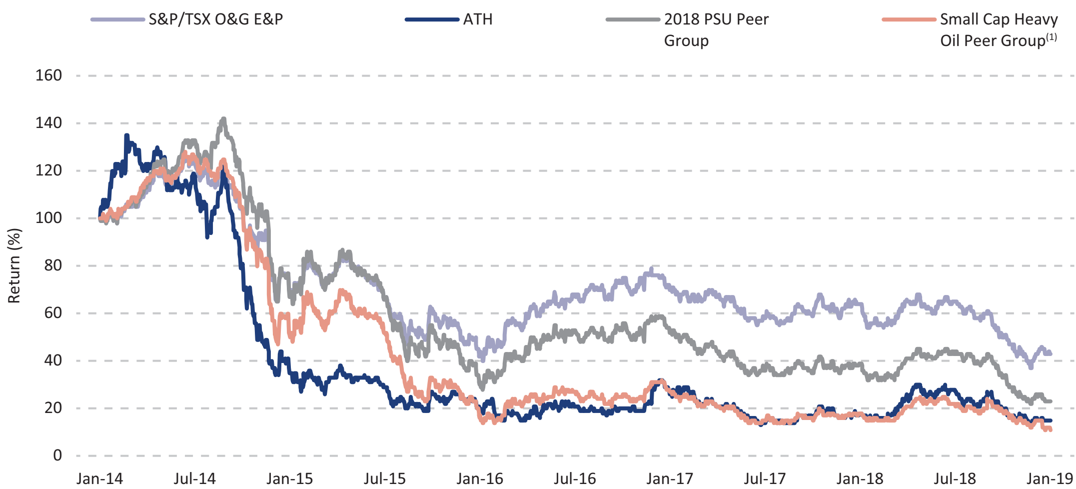
Clawback Policy

In 2017, 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, 2014 and assuming reinvestment of dividends, with the cumulative shareholder return of the S&P/TSX Energy Index, Athabasca's 2018 peer group (see *Compensation Discussion and Analysis – Athabasca's Approach to Compensation – Pay Comparator Group*) and its small cap heavy index peer group.



(1) Companies included in the small cap heavy oil peer group are: Athabasca, Baytex (BTE), Cardinal (CJ), Gear (GXE), MEG Energy (MEG), Pengrowth (PGF) and Obsidian (OBE)

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 Appendix B- *Description of Long-Term Equity Incentive Plans* 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, 2018, December 31, 2017 and December 31, 2016. Due to the unpredictable macro climate affecting the oil and gas sector and extreme pricing volatility experienced by Canadian producers during 2018, the Corporation's executives elected to take a 10% base salary rollback effective January 1, 2019, which was approved by the Board.

Name and principal position	Year	Salary ($)	Share-based awards[1] ($)	Option-based awards[2] ($)	Non-equity incentive plan compensation ($) Annual incentive plans[3] ($)	Non-equity incentive plan compensation ($) Long-term incentive plans[4]	Pension Value ($)	All other compensation[5] ($)	Total compensation ($)
Robert Broen,	2018	515,000	1,560,008	0	710,700	—	N/A	56,650	2,842,358
President and	2017	500,000	1,050,000	1,909,495[6]	700,000	—	N/A	55,000	4,214,495
Chief Executive Officer	2016	500,000	553,080	394,304	750,000	—	N/A	55,000	2,252,384
Kimberly Anderson,	2018	350,200	707,192	0	211,000	—	N/A	38,522	1,306,914
Chief Financial Officer	2017	333,750	476,000	413,193[7]	207,800	—	N/A	36,187	1,466,930
	2016	306,181	232,320	165,676	201,000	—	N/A	27,556	932,733
Angela Avery,	2018	360,500	727,902	0	228,500	—	N/A	32,445	1,349,347
General Counsel, Vice President,	2017	108,814	490,000	248,040	217,900	—	N/A	107,875	1,172,629
Business Development[8]									
David Stewart,	2018	340,000	679,942	0	210,200	—	N/A	37,400	1,267,542
Vice President, Operations[9]	2017	315,833	472,850	223,236	191,500	—	N/A	34,742	1,238,161
	2016	267,161	101,420	47,376	141,800	—	N/A	28,090	585,847
Matthew Taylor,	2018	315,000	630,020	0	189,800	—	N/A	34,650	1,169,470
Vice President, Capital	2017	312,500	441,000	395,486[10]	189,500	—	N/A	32,325	1,370,811
Markets & Communications	2016	305,000	224,950	160,369	193,100	—	N/A	27,450	910,869

Notes

(1) The value of Share-based awards is based on the 20-day volume weighted average price (**"VWAP"**) which was calculated on March 10, 2016 for 2016 awards ($1.10), on March 9, 2017 ($1.75) for 2017 awards, and on March 7, 2018 ($1.09) for the 2018 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	2018	2017	2016
Risk free interest rate	N/A	1.1%	.53%
Estimated forfeiture rate	N/A	7.0%	7.3%
Expected life (years)	N/A	4.8	3.4
Dividend rate	N/A	0%	0%
Volatility	N/A	54.6%	55.7%
Grant date fair value (per Option)	N/A	$.68	$0.61
Grant date fair value (per RSU)	$1.16	$1.53	$1.43

(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, 2018.

(5) *"All Other Compensation"* includes employer matching contributions made by the Corporation on the NEO's behalf pursuant to the RRSP and the EPSP or to the non-registered savings plan referenced in "*Other Compensation- Employee Registered Retirement Savings Plan*". Except as described in footnote (8) below, 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 in recognition of certain transformative transactions achieved in 2016 and 2017 which transformed the Corporation from a junior to intermediate producer; and (b) 771,400 options as his annual 2017 grant.

(7) This value represents grants to Ms. Anderson of: (a) 250,000 options as a special one-time grant in recognition of certain transformative transactions achieved in 2016 and 2017 which transformed the Corporation from a junior to intermediate producer; and (b) 349,700 options as her annual 2017 grant.

(8) Hired as General Counsel & Vice President, Business Development on September 11, 2017. In 2018, Ms. Avery received an annual bonus that was pro-rated for a full year of service reported within "*Annual Incentive Plans*" and a $100,000 signing bonus reported within "*All Other Compensation*."

(9) Promoted to Vice President, Operations on November 7, 2016.

(10) This value represents grants to Mr. Taylor of: (a) 250,000 options as a special one-time grant in recognition of certain transformative transactions achieved in 2016 and 2017 which transformed the Corporation from a junior to intermediate producer; and (b) 324,000 options as his annual 2017 grant.

Long-Term Equity Incentive Plans

Detailed descriptions of Athabasca's long-term equity incentive plans are contained in Appendix B to the Circular. These plans consist of the Option Plan, the Performance Plan, the 2010 RSU Plan and the 2015 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, 2018, the total number of Common Shares issuable to insiders under all of our security based compensation arrangements was approximately 3.0% 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. 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.

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	2016	2017	2018
Options	0.8%	1.3%	0.0%
Performance Units(1)	0.4%	0.4%	0.6%
2015 RSUs	0.9%	1.4%	2.0%
2010 RSUs	0.0%	0.0%	0.0%
Total	2.1%	3.2%	2.7%

(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 set forth information regarding all Options, 2010 RSUs, Performance Units, and 2015 RSUs held by each NEO as of December 31, 2018.

	Option-Based Awards[1]				Share-Based Awards[3]		
Name	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	—	2,342,832	1,945,437	—
	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	59,334			
	87,900	0.10	10-Sep-2019	78,231			
Kimberly Anderson	599,700	1.50	01-Apr-2024	—	1,049,366	864,751	—
	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	6,942			
	275,000	0.10	18-Feb-2019	244,750			
	275,000	7.84	18-Feb-2019	—			
Angela Avery	360,000	0.92	11-Sep-2024	25,200	847,800	600,374	—
David Stewart	324,000	1.50	01-Apr-2024	—	915,266	692,907	—
	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	18,334			
Matthew Taylor	574,000	1.50	01-Apr-2024	—	955,833	794,027	—
	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	2,937			
	225,000	8.12	08-May-2019	—			

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 $0.99, being the closing price of the Common Shares on the TSX on December 31, 2018 and multiplying the difference by the number of unexercised in-the-money Options or 2010 RSUs, as applicable.

(3) See "*Long-Term Equity Incentive Plans*".

(4) Performance Awards provide a single payout upon their 3 year cliff vesting. The Award of Performance Awards is based on the performance multiplier determined for the performance period(s). The minimum Award Value may be $0. The value of unvested Performance Awards is based on the current weighted average performance multiplier for the performance period(s) multiplied by the number of units and $0.99, being the closing price on the TSX on December 31, 2018. The value of unvested RSUs is based on the number of units multiplied by $0.99, being the closing price on the TSX on December 31, 2018.

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, 2018, and the value of non-equity incentive plan compensation during the year ended December 31, 2018.

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	188,751	578,090	710,700
Kimberly Anderson	79,182	234,883	211,000
Angela Avery	51,600	115,000	228,500
David Stewart	23,210	106,498	210,200
Matthew Taylor	5,577	302,458	189,800

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 (RSU and Performance Awards) has been calculated by multiplying the number of share-based awards vested by the volume weighted average price on the TSX for 5 trading days immediately preceding the vesting date.

(3) Reflects 2018 annual bonuses earned by the NEOs for the year ended December 31, 2018.

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, 2015 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, 2018, the following Retiring Allowances would have been payable by Athabasca pursuant to such agreements, the following aggregate amounts would have been paid to the following NEOs: Mr. Broen– $2,686,000; Ms. Anderson – $1,214,260; Ms. Avery - $1,047,050; Mr. Stewart – $1,115,300 and Mr. Taylor – $1,107,100.

Options, 2010 RSUs, 2015 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 varying treatment under the Option Plan, 2010 RSU Plan, 2015 RSU Plan and Performance Plan. See Appendix B – *Description of Long-Term Equity Incentive 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 2015 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 2015 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 B - "*Description of Long-Term Equity Incentive Plans".*

The following table outlines the estimated incremental payment, payables and benefits that theoretically would have been obtained by the NEO's pursuant to their Options, 2010 RSUs, Performance Awards, and 2015 RSUs if a Change of Control were to have occurred on December 31, 2018.

Name	Options Issued Under the Option Plan Agreement w/ Optionee Termination Notice(1)(2)	Option Cash Bonus (w/o Optionee Termination Notice)(1)(3)	2010 RSUs Issued Under the RSU Agreement (w/ Participant Termination Notice)(1)(4) ($)	2010 RSU Cash Bonus (w/o Optionee Termination Notice)(1)(5) ($)	Performance Award and 2015 RSU (w/ Service Provider Termination Notice) Change of Control Award Value(1) ($)	Performance Award Contingent and 2015 RSU (w/o Service Provider Termination Notice) Change of Control Award Value(1) ($)
Robert Broen	0	0	137,565	137,565	3,084,411	3,084,411
Kimberly Anderson	0	0	251,692	251,692	1,381,980	1,381,980
Angela Avery	25,200	24,554	0	0	1,144,035	1,144,035
David Stewart	0	0	2,937	2,937	1,206,556	1,206,556
Matthew Taylor	0	0	18,334	18,334	1,258,219	1,258,219

Notes:

(1) See Appendix A – "*Description of Long-Term Equity Incentive Plans*" for additional details and for a description of the defined terms set out in the table.

(2) Based on the Common Share Price of $0.99 (the closing price of the Common share on the TSX on December 31, 2018).

(3) Assumes a Change of Control price of $0.99 (the closing price of the Common share on the TSX on December 31, 2018). The NEO cash bonus is payable on the schedule vesting dates pursuant to the Option Agreement.

(4) Calculated by subtracting the exercise price of $0.10 from $0.99 (the closing price of the Common Shares on the TSX on December 31, 2018) and multiplying the difference by the number of 2010 RSUs granted.

(5) Assuming a Change of Control occurred on December 31, 2018, each NEOs RSU Cash Bonus would have been payable no later than December 31, 2021.

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, 2018.

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	28,439,528	$2.18	23,149,441[(1)]
Equity compensation plans not approved by securityholders	—	—	—
Total	28,439,528	$2.18	23,149,441

Note:

(1) Pursuant to the Option Plan, 2010 RSU Plan, Performance Plan, and the 2015 RSU Plan, the maximum number of Common Shares issuable on exercise/vesting of Options, 2010 RSUs, Performance Awards and 2015 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 2015 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 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

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

Appendix B

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 2015 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 Performance Plan first came into effect on March 18, 2014. 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 ("**Service Provider**"), 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 December 31, 2018 there were 4,774,600 Common Shares reserved for issuance upon vesting of Performance Awards outstanding under the Performance Plan, representing approximately 0.9% of the number of issued and outstanding Common Shares as at that date. During the financial year ended December 31, 2018, a total of 907,850 Common Shares were issued in relation to outstanding units under this plan upon settlement of Performance Awards, representing 0.2% of the number of issued and outstanding Common Shares as at December 31, 2018.

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, 2018 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.
Pengrowth Energy Corporation	Spartan Energy Corp.	Surge Energy Inc.
Tamarack Valley Energy Ltd.	TORC Oil & Gas Ltd.	Whitecap Resources Inc.

The value of a Performance Award (the "**Award Value**") is an amount equal to the number of Performance Awards, 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 period of time when, pursuant to the policies of Athabasca, any securities of Athabasca may not be traded by that holder ("**Black-Out Period**") , then the Vesting Date shall be extended to a date that is within seven business days following the end of the Black-Out Period. If any such extension would cause the Vesting Date to extend beyond the Expiry Date while a Black-Out Period 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 Service Providers during the year ended December 31, 2018, 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, 2018, 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, 2018, and on or before December 31, 2019, 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, 2019, and on or before December 31, 2020, 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, 2021, the Contingent Change of Control Award Value, less any required withholdings, shall be paid to the Grantee within five business days of April 1, 2021;

  (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, 2021 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, 2021 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

2015 RSU Plan

On March 11, 2015, upon the recommendation of the Compensation and Governance Committee, the Board approved the 2015 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 2015 RSUs ("**2015 RSUs**"), issued pursuant to the 2015 RSU Plan. Each 2015 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 2015 RSU Plan.

Purpose of the 2015 RSU Plan and Eligibility

The purposes of the 2015 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 2015 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 2015 RSU Plan. The Board has the authority to determine the individuals to whom RSUs may be awarded.

Limitations on Issuances under the 2015 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 2015 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 2015 RSUs) will result in an increase in the number of Common Shares that may be issued in the settlement of 2015 RSUs outstanding at any time and any increase in the number of 2015 RSUs granted will, upon settlement, make new grants available under the 2015 RSU Plan. For the purposes of calculating the 10% limitation referred to above only, it shall be assumed that all issued and outstanding 2015 RSUs will be settled by the issuance of Common Shares from treasury, notwithstanding Athabasca's right to settle the 2015 RSUs in cash or by purchasing Common Shares on the open market. 2015 RSUs that are cancelled, surrendered, terminated or expire prior to the settlement of all or a portion thereof and 2015 RSUs that are settled for cash will result in the Common Shares that were reserved for issuance under the 2015 RSU Plan being available for a subsequent grant of 2015 RSUs pursuant to the 2015 RSU Plan to the extent of any Common Shares issuable thereunder that are not issued under such cancelled, surrendered, terminated or expired 2015 RSUs.

2015 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 December 31, 2018, there were 12,777,210 Common Shares reserved for issuance upon vesting of 2015 RSUs outstanding under the 2015 RSU Plan, representing approximately 2.5% of the number of issued and outstanding Common Shares as at that date. During the financial year ended December 31, 2018, a total of 3,604,116 Common Shares were issued upon settlement of 2015 RSUs, representing 0.7% of the number of issued and outstanding Common Shares as at December 31, 2018.

Vesting, Assignability and Expiry

The Board may determine the vesting of the 2015 RSUs at the time of grant, and in the absence of any determination by the Board (or the committee) to the contrary, 2015 RSUs will vest and be payable as to one-third of the total number of 2015 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 2015 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 2015 RSU agreement in respect of any 2015 RSUs granted, accelerate or provide for the acceleration of vesting in whole or in part of 2015 RSUs previously granted.

2015 RSUs are not transferable or assignable.

The Board will determine the expiry dates for grants of 2015 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 2015 RSUs were granted. Notwithstanding the forgoing, no 2015 RSU will vest beyond the Expiry Date.

Settlement of 2015 RSUs

2015 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 2015 RSUs has no right to demand or receive Common Shares as settlement for the 2015 RSUs or any portion thereof, in Common Shares.

Black-Out Periods

If the vesting date of a 2015 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 Black-Out Period is still in effect, then the Corporation must settle the applicable 2015 RSUs in cash and the Corporation will not have any right to settle the 2015 RSUs in whole or in part in Common Shares.

Dividends

The 2015 RSU Plan provides for an adjustment to the number of Common Shares to be issued pursuant to 2015 RSUs for any dividends that are paid on the Common Shares during the term of the 2015 RSUs. Upon vesting of any 2015 RSUs, the Common Shares issuable pursuant to such 2015 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 2015 RSU agreement, all Common Shares awarded pursuant to any 2015 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, 2018 (the "**2015 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 2015 RSUs granted pursuant to an applicable 2015 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 2015 RSUs granted pursuant to an applicable 2015 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 2015 RSU Agreement, provided that: (i) the award value of the 2015 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 2015 RSU Plan Terms

The 2015 RSU Plan provides that unless otherwise determined by the Board or unless otherwise provided in a 2015 RSU Agreement pertaining to a particular grant or any other written agreement, including an employment agreement, if a holder of 2015 RSUs ceases to be Service Provider to the Athabasca Group for any reason other than death, before all of such holder's 2015 RSUs have vested, then all such unvested 2015 RSUs shall be forfeited and any amount corresponding to any vested 2015 RSUs remaining unpaid will be paid to the former Service Provider in accordance with the 2015 RSU Plan.

Notwithstanding the preceding paragraph or anything else contained in the 2015 RSU Plan to the contrary, unless otherwise determined by the Board, or unless the Corporation and a participant agree otherwise in a 2015 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 2015 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 2015 RSUs.

Anti-Dilution

The 2015 RSU Plan contains anti-dilution provisions which allow the Board to make such adjustments to the 2015 RSU Plan, to any 2015 RSUs and to any 2015 RSU agreements outstanding under the 2015 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 2015 RSU Plan.

Amendments

The Board has the right to amend or discontinue the 2015 RSU Plan or amend any 2015 RSUs granted under the 2015 RSU Plan without shareholder approval or the consent of a holder of 2015 RSUs, provided that such amendment does not adversely alter or impair any 2015 RSUs previously granted under the 2015 RSU Plan or any related 2015 RSU Agreement, except as otherwise permitted under the 2015 RSU Plan; however, while the Common Shares are listed for trading on the TSX, the Board will not be entitled to amend the 2015 RSU Plan or any 2015 RSUs granted under it without shareholder and, if applicable, TSX approval: (i) to increase the maximum number of Common Shares issuable pursuant to the 2015 RSU Plan; (ii) to cancel 2015 RSUs and subsequently issue the holder of such 2015 RSUs a new grant of 2015 RSUs in replacement thereof; (iii) to extend the term of 2015 RSUs; (iv) to permit the assignment or transfer of 2015 RSUs, other than as provided for in the 2015 RSU Plan; (v) to add to the categories of persons eligible to participate in the 2015 RSU Plan; (vi) to remove or amend the limitations contained in the 2015 RSU Plan; or (vii) to remove or amend the amendment provisions of the 2015 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 2015 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 December 31, 2018, there were 1,227,918 Common Shares issuable upon the exercise of 2010 RSUs outstanding under the 2010 RSU Plan, representing approximately 0.2% of the number of current issued and outstanding Common Shares as at that date. During the financial year ended December 31, 2018, a total of 1,305,477 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, 2018.

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 a 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 for the disposition and surrender by the participant to the Corporation of any 2010 RSUs (a "**Surrender Offer**"), 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 Surrender Offer less the exercise price of the 2010 RSUs specified in the Surrender Offer. The Corporation may accept or reject any Surrender Offer, 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 Agreement**") 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 an 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 "Option Plan")

Purpose of the Option Plan and Eligibility

The Option Plan first came into effect on September 1, 2009. 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. The Option Plan permits the Board to grant Options to officers, directors and employees of the Corporation.

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 December 31, 2018, there were 9,659,800 Common Shares issuable upon exercise of Options outstanding under the Option Plan, representing approximately 1.9% of the number of current issued and outstanding Common Shares as at that date. During the financial year ended December 31, 2018, a total number of 31,767 Common Shares were issued upon exercise of Options, representing 0.01% of the number of issued and outstanding Common Shares as at December 31, 2018.

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 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 or 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 at any time for the disposition and surrender by the Optionee to Athabasca of any Option (a "**Surrender Offer**"), 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 $\frac{[(AxB)/2] \times \text{Marginal Tax Rate}}{1 - \text{Marginal Tax Rate}}$;

(iv) "Marginal Tax Rate" means the ordinary rate of income tax charged on the Optionee'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 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 Shares 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.

ATHABASCA OIL Corporation

Equity Ownership and Retention Guidelines for Non-Executive Directors and Executive Officers

1. **Directors and Executives Subject to these Guidelines**: The Non-Executive Directors, Chief Executive Officer, and all Vice Presidents are subject to these guidelines.

2. **Purpose**: These guidelines are intended to align the interests of Athabasca's non-executive directors and executive officers with the interests of its shareholders, to promote an "ownership culture" amongst the executive officers and demonstrate their financial commitment to Athabasca, and to encourage the executive officers to focus on long-term value creation.

   The Compensation and Corporate Governance Committee is responsible for monitoring compliance with these guidelines on an annual basis.

3. **Equity Ownership Guidelines**: Each non-executive director and executive officer is expected to accumulate equity in Athabasca equal to a multiple of their base annual salary as follows:

Title	Multiple of Base Annual Salary
Non-Executive Directors	3x annual cash retainer
Chief Executive Officer	3x base annual salary
Other Executive Officers	2x base annual salary

   Existing non-executive directors and executive officers have five years from March 18, 2014 to meet their applicable minimum required levels of equity ownership. Non-executive directors and executive officers appointed after March 18, 2014 will have five years from the date of their appointment to meet their applicable equity ownership requirements.

4. **Compliance Calculation**: The determination of whether a non-executive director or executive meets the applicable guideline will be made on December 31 of each year by using the greater of: (a) the average closing price of Athabasca shares on the TSX for the prior 60 day period and (b) the acquisition cost of the applicable form of equity.

   Subject to the paragraph immediately below, if an executive officer fails to meet the applicable guideline, the executive officer will be required to use up to one-third of any net annual cash bonus to purchase Athabasca shares.

   If a non-executive director or executive officer falls below the applicable guideline due solely to a decline in the value of the Athabasca shares, the non-executive director or executive officer will not be required to acquire additional shares to meet the guideline, but he or she will be required to retain all shares then held (except for shares withheld to pay withholding taxes or the exercise price of options) until such time as the non-executive director or executive officer again attains the target multiple.

   Equity that counts toward meeting the stock ownership guidelines:

   (a) shares owned directly or indirectly;

   (b) shares over which the non-executive director or executive officer exercises control or direction;

   (c) unvested restricted share units;

   (d) unearned performance awards calculated using a 1x multiplier;

   (e) deferred share units; and

   (f) units in the company's Employee Profit Sharing Plan.

   Unexercised stock options will not count toward meeting the stock ownership guidelines.

APPROVED: March 18, 2014

AMENDED: May 9, 2018

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OIL CORPORATION

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