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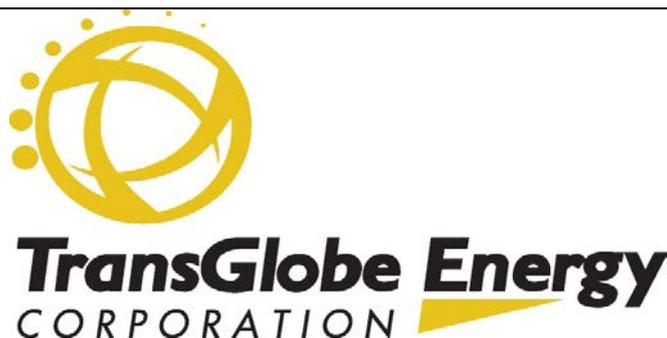
TransGlobe Energy Corporation (the "**Company**") and its directors (together, the "**Directors**"), whose names appear on page 15 of this document, accept responsibility, collectively and individually, for the information contained in this document and for compliance with the AIM Rules for Companies (the "**AIM Rules**"). To the best of the knowledge and belief of the Company and the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. To the extent that information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading. In connection with this document, no person is authorised to give any information or make any representation other than as set out in this document.

This document has been drawn up in accordance with the Supplement to Schedule One of the AIM Rules ("**Schedule One**"), published for quoted applicants. It includes, among other things, all information that is, under these rules, required for an admission document which is not currently publicly available. Information which is public includes, without limitation, all information filed with the Canadian Securities regulatory authority on the system for electronic disclosure and retrieval ("**SEDAR**") (available at www.sedar.com), all information filed with the system for electronic disclosure by insiders ("**SEDI**") (available at www.sedi.ca), all information filed with the U.S. Securities and Exchange Commission on the Electronic Data Gathering, Analysis, and Retrieval System of the U.S. Securities and Exchange Commission ("**EDGAR**") (available at www.sec.gov), and all information available on the Company's website at www.trans-globe.com (collectively, the "**Public Record**"). The Public Record can be accessed freely. This document comprises an appendix to, and should be read in conjunction with, the Schedule One announcement made by the Company, as well as the Company's Public Record. This document and the Schedule One announcement together constitute the **Announcement**.

This document does not contain an offer of transferable securities to the public within the meaning of sections 85 and 102B of FSMA and is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this document has not been prepared in accordance with the Prospectus Rules, nor has it been approved by the FCA pursuant to section 85 of FSMA and a copy has not been delivered to the FCA under regulation 3.2 of the Prospectus Rules. Application has been made for the entire Share Capital of the Company to be admitted to trading on AIM. It is expected that Admission will become effective on 29 June 2018.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ AND IN PARTICULAR YOUR ATTENTION IS DRAWN TO THE SECTION ENTITLED "RISK FACTORS" SET OUT IN PART II OF THIS DOCUMENT THAT DESCRIBES CERTAIN RISKS ASSOCIATED WITH AN INVESTMENT IN THE COMPANY.



TRANSGLOBE ENERGY CORPORATION

*(continued under the Business Corporations Act (Alberta)
with corporate access number 2011125313)*

APPENDIX TO PRE ADMISSION ANNOUNCEMENT

FURTHER INFORMATION ON THE COMPANY IN CONNECTION WITH THE PROPOSED ADMISSION OF ITS COMMON SHARES TO TRADING ON AIM

CANACCORD Genuity

**Nominated Adviser and Joint Broker
Canaccord Genuity Limited**

GMP FirstEnergy

**Joint Broker
GMP FirstEnergy**

Canaccord Genuity Limited ("**Canaccord**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and joint broker, together with FirstEnergy Capital LLP ("**GMP FirstEnergy**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority as joint broker to the Company in connection with the proposed arrangements described in the Announcement. Canaccord's responsibility as the Company's nominated adviser under the AIM Rules for Nominated Advisers is owed solely to the London Stock Exchange and is not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document. Canaccord and GMP FirstEnergy are acting exclusively for the Company and for no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Canaccord or GMP FirstEnergy or for providing advice in relation to the contents of this document or the proposed arrangements described in the Announcement.

Canaccord has not authorised the contents of this document and no representation or warranty, express or implied, is made by Canaccord as to the accuracy or contents of this document or the opinions contained herein, without limiting the statutory rights of any person to whom this document is issued. The information contained in this document is not intended to inform or be relied upon by any subsequent purchasers of any common shares in the capital of the Company (the "**Common Shares**") (whether on or off exchange) and accordingly no duty of care is accepted by Canaccord in relation to them. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document will not, under any circumstances, be deemed to create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct at any time subsequent to its date.

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, Common Shares and this document is not for distribution in or into the United States, Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction where it is unlawful to do so. The Common Shares have not nor will they be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Canada, Japan or Australia or the Republic of South Africa and, unless an exemption under such Act or laws is available, may not be offered for sale or subscription or sold or subscribed directly or indirectly within the United States, Canada, Japan or Australia or the Republic of South Africa for the account or benefit of any national, resident or citizen thereof. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

Copies of this document, which is dated 1 June 2018, will be available on the Company's website, www.trans-globe.com from 1 June 2018.

Forward-Looking Statements Advisory

The information provided in this document may contain forward-looking statements and forward-looking information about the Company within the meaning of applicable securities laws. In addition, the Company may make or approve certain statements or information in future filings with Canadian and United States securities regulatory authorities, in press releases, or in oral or written presentation by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements or forward-looking information. All statements and information, other than statements of historical fact, made by the Company that address activities, events, or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements and information, including, but not limited to statements and information preceded by, followed by, or that include words such as "may", "would", "could", "will", "likely", "except", "anticipate", "believe", "intends", "plan", "forecast", "project", "estimate", "outlook", or the negative of those words or other similar or comparable words. Forward-looking statements and information involve significant risks, assumptions, uncertainties and other factors that may cause actual future results or anticipated events to differ materially from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance or results. These risks and factors include, but are not limited to, risks relating to the Company's ability to execute its exploration and development program, drilling and operating risks, dependence on key personnel, compliance with environmental regulations and competition.

In particular, forward-looking statements contained in this document include, but are not limited to, statements with respect to the Admission; the expected commencement of dealings thereunder and benefits therefrom; operating and development costs; estimated reserves, including the life index thereof and the discounted present value of future net revenues therefrom; the terms of the Company's contractual commitments and the Company's compliance therewith, including fulfilment of minimum work obligations and repayment of loans; the Company's operational strategy, including targeted jurisdictions and technologies used to execute its strategy; financial and business prospects and financial outlook; results of operations; crude oil production levels; the size of, and future net revenue from, oil and natural gas reserves; the quantity of the Company's reserves; projections of market prices and costs; supply and demand for oil and natural gas; the performance characteristics of the Company's oil and natural gas properties; drilling and recompletion plans, and the anticipated timing thereof; exploration, development and associated operational plans and strategies, and the anticipated timing of, and sources of funding for, such activities; and timing of development of undeveloped reserves; future capital expenditures, the timing thereof and the method of funding; activities to be undertaken in various areas including the fulfilment of minimum work obligations and exploration commitments; terms of the Company's contractual commitments and their timing of settlement; terms of exploration and production contracts and the expected renewal of certain contracts; the Company's expectations regarding its ability to obtain contract extensions or fulfil the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; expectations regarding the ability of the Company to add continually to reserves through acquisitions and development; the potential of future acquisitions or dispositions; the Company's future divided policy; the Company's risk management strategy and the use of commodity derivatives to manage movements in the price of crude oil; treatment under governmental regulatory regimes and tax laws; tax horizon, royalty rates and future tax and royalty rates enacted in the Company's areas of operations; foreign currency risk and the ability to reverse unrealised foreign exchange gains and losses in the future; access to facilities and infrastructure; the issuance of securities of the Company; receipt of anticipated regulatory approvals; the Company's future sources of liquidity; and effect of business and environmental risks on the Company. Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future.

Such statements represent the Company's internal projections, estimates or beliefs concerning future growth, results of operations based on information currently available to the Company based on assumptions that are subject to change and are beyond the Company's control, such as, but not limited to: production rates and production decline rates; the magnitude of and ability to recover oil and gas reserves; plans for and results of drilling activity; well abandonment costs and salvage value; the ability to secure necessary personnel; equipment and services; environmental matters; changes to prevailing regulatory, royalty, tax and environmental laws and regulations; the impact of competition; future capital and other expenditures (including the amount, nature and sources of funding thereof); future financing sources; business prospects and opportunities; current commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; uninterrupted access to infrastructure; future exchange rates and commodity prices; the price of oil; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; recoverability of reserves; royalty rates; future operating costs; receipt of regulatory approvals; that the Company will have sufficient cash flows, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Company's conduct and results of operations will be consistent with its expectations; that the Company will have the ability to develop the Company's oil and natural gas properties in the manner currently contemplated; the current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the estimates of the Company's reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; that the Company will be able to obtain contract extensions or fulfil the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; and other matters.

The Company is exposed to numerous operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control and may significantly affect anticipated future results. The Company is exposed to risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities. Operations may be unsuccessful or delayed as a result of competition for services, supplies and equipment, mechanical and technical difficulties, ability to attract and retain qualified employees on a cost-effective basis, commodity and marketing risk. The Company is subject to significant drilling risks and uncertainties including the ability to find oil reserves on an economic basis and the potential for technical problems that could lead to well blow-outs and environmental damage. The Company is exposed to risks relating to the inability to obtain timely regulatory approvals, surface access, access to third party gathering and processing facilities, transportation and other third party related operation risks. The Company is subject to industry conditions including changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced. There are uncertainties in estimating the Company's reserve base due to the complexities in estimated future production, costs and timing of expenses and future capital. The Company is subject to the risk that it will not be able to fulfil the contractual obligations required to retain its rights to explore, develop and exploit any of its properties. The financial risks the Company is exposed to include, but are not limited to, the impact of general economic conditions in Canada and Egypt, continued volatility in market prices for oil, the impact of significant declines in market prices for oil, the ability to access sufficient capital from internal and external sources, changes in income tax laws or changes in tax laws, royalties and incentive programs relating to the oil and gas industry, fluctuations in interest rates, the Canadian dollar to United States dollar exchange rate and the Canadian dollar to Egyptian pound dollar exchange rate and the outcome of lawsuits. The Company is subject to local regulatory legislation, the compliance with which may require significant expenditures and non-compliance with which may result in fines, penalties or production restrictions or the termination of licence, lease operating or farm-in rights related to the Company's oil and gas interests in Canada and/or Egypt. Further, the Company is subject to: risk that the Company will not be able to obtain contract extensions or fulfil the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties, risks related to lawsuits, the risks discussed herein under "Risk Factors", and other factors, many of which are beyond the control of the Company. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company.

Forward-looking statements and other information contained herein concerning the oil and natural gas industry in the countries in which the Company operates and the Company's general expectations concerning this industry are based on estimates prepared by the Company's management using data from publicly available industry sources as well as from resource reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any material misstatements regarding any industry data presented herein, the oil and natural gas industry involves numerous risks and uncertainties and is subject to change based on various factors.

Actual results, performance or achievement could differ materially from that expressed in, or implied by any forward-looking statements or information in this document, and accordingly, investors should not place undue reliance on any such forward-looking statements or information. Further, any forward-looking statement or information speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statements or information to reflect information, events, results, circumstances or otherwise after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by law, including securities laws. All forward-looking statements and information contained in this document and other documents of the Company are qualified by such cautionary statements. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Oil and Gas Advisory

Oil and Natural Gas Reserves

The reserves information summarised in this document is extracted from the Competent Person's Report prepared by the Company's independent reserves evaluator GLJ Petroleum Consultants Ltd. ("**GLJ**"). The Competent Person's Report was prepared in compliance with the "AIM Note for Mining, Oil and Gas Companies, June 2009", as published by the London Stock Exchange, the reserves definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("**COGEH**"), which replaced the standards published by the CIM known as National Policy 2B (CIM NP-2B) in June 2002. The results of this evaluation would be the same or immaterially different under the use of procedures and standards contained in the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers (SPE). The recovery and reserves estimates of crude oil provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil reserves may be greater than or less than the estimates provided herein. The recovery and reserves estimates attributed to the Company's properties described herein are estimates only. The actual reserves attributable to the Company's properties may be greater or less than those calculated. The reserves evaluator forecasts reserve volumes and future cash flows based upon current and historical well performance through to the economic production limit of individual wells. It should not be assumed that the present worth of estimated future net revenues presented in this document represent the fair market value of the reserves. The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties due to the effects of aggregation.

This document discloses an estimate of proved plus probable plus possible reserves. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of the Announcement	1 June 2018
Admission becomes effective	8.00 a.m. on 29 June 2018

Each of the times and dates in the above timetable is subject to change without further notice. All references are to London time unless otherwise stated. Temporary documents of title will not be issued.

STATISTICS

Share Capital on Admission (assuming no Options are exercised in the period up to Admission)	72,205,369 Common Shares
Percentage of the Share Capital held by the Directors and Senior Managers and their connected persons at Admission	6.07%
Percentage of the Share Capital represented by Options outstanding at Admission	6.75%
AIM symbol	TGL
TSX symbol	TGL
NASDAQ symbol	TGA
ISIN	CA8936621066
SEDOL	BFZPF21

EXCHANGE RATES

For reference purposes only, the following exchange rates have been used in this document:

£1:C\$1.72

£1:US\$1.33

US\$1: C\$1.30

All amounts referred to in Parts I-III of this document expressed in the above currencies have, unless otherwise stated, been calculated using the above exchange rates.

DEFINITIONS

The following definitions apply throughout this document, unless otherwise stated or the context requires otherwise:

2017 Year End Materials	the information published by the Company on SEDAR www.sedar.com and/or the Company's website on 7 March 2018 in respect of the Company's historical financial and operating results, including year end reserves, for the financial year ended 31 December 2017, comprising the Company's consolidated Audited Financial Statements, the Annual Information Form, the Management Discussion and Analysis and the related press release issued by the Company;
2018 Q1 Materials	the information published by the Company on SEDAR www.sedar.com and/or the Company's website on 10 May 2018 in respect of the Company's financial and operating results for the period ended 31 March 2018;
ABCA or Business Corporations Act	the <i>Business Corporations Act</i> , R.S.A. 2000, c.B-9, as amended, including the regulations promulgated thereunder;
Act or Companies Act or CA 2006	the UK Companies Act 2006, as amended from time to time;
Admission	admission of the Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
AIM	the AIM market operated by the London Stock Exchange;
AIM Rules or AIM Rules for Companies	the AIM Rules for Companies published by the London Stock Exchange from time to time;
AIM Rules for Nominated Advisers	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time;
Announcement	the announcement pursuant to Schedule One of the AIM Rules to which this Appendix is attached;
Annual Information Form	means the Company's Annual Information Form for the year-ended 31 December 2017 dated 7 March 2018 and published by the Company on SEDAR www.sedar.com on 7 March 2018;
Articles or Articles of Continuance	the articles of continuance of the Company as amended from time to time;
Board or Directors	the directors of the Company, whose names are set out on page 15 of this document;
By-Laws	the by-laws of the Company as adopted and/or amended from time to time;
C\$	Canadian dollars, the lawful currency of Canada from time to time;

Canaccord	Canaccord Genuity Limited, nominated adviser and joint broker to the Company;
Canadian Tax Act	the <i>Income Tax Act</i> (Canada), R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, each as amended from time to time;
CHRG	the Company's Compensation, Human Resources and Governance Committee;
City Code	the City Code on Takeovers and Mergers;
COGE Handbook	the Canadian Oil and Gas Evaluation Handbook maintained by The Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time;
Common Shares	the common shares of no par value in the capital of the Company;
Company or TransGlobe	TransGlobe Energy Corporation, a company incorporated in British Columbia, Canada and continued in Alberta, Canada under the ABCA with corporate access number 2011125313, whose registered office is located at 2400, 525 – 8th Avenue SW, Calgary, Alberta, T2P 1G1;
Competent Person or GLJ	GLJ Petroleum Consultants Ltd., independent petroleum engineers of Calgary, Alberta;
Competent Person's Report or CPR	the technical report dated 30 May 2018 prepared by GLJ in accordance with the "AIM Note for Mining, Oil and Gas Companies, June 2009", as published by the London Stock Exchange, the reserves definitions, standards and procedures contained in COGEH, which replaced the standards published by the CIM known as National Policy 2B (CIM NP-2B) in June 2002;
CREST	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
Deed Poll	the deed poll dated 31 May 2018 executed by the Depositary in relation to the issue of Depositary Interests by the Depositary, details of which are set in paragraph 24 of Part III to this document;
Depositary	Computershare Investor Services Plc, a company incorporated in England and Wales with registered number 3498808;
Depositary Interests	uncertificated depositary interests issued by the Depositary and representing Common Shares, pursuant to the Deed Poll;

DSU	deferred share unit, granted under the DSU Plan;
DSU Plan	the deferred share unit plan of the Company;
Eastern Desert	the desert area of Egypt located east of the Nile river;
EGPC	the Egyptian General Petroleum Corporation;
Egypt	the Arab Republic of Egypt;
Euroclear	Euroclear UK & Ireland Limited, a company incorporated in England & Wales with registration number 02878738, being the Operator of CREST;
FCA	the United Kingdom's Financial Conduct Authority;
FSMA	the Financial Services and Markets Act 2000 of the UK as amended;
GMP FirstEnergy	FirstEnergy Capital LLP, joint broker to the Company;
Gross or gross	(i) in relation to the Company's interest in production or reserves, its Company gross reserves, which are the Company's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Company; (ii) in relation to wells, the total number of wells in which the Company has an interest; and (iii) in relation to properties, the total area of properties in which the Company has an interest;
Group	the Company together with its subsidiaries;
ISIN	International Securities Identification Number;
London Stock Exchange	London Stock Exchange plc;
Market Abuse Regulation	the Market Abuse Regulation (EU 596/2014);
Nominated Adviser Agreement	the agreement between Canaccord and the Company dated 31 May 2018 relating to the appointment of Canaccord as the Company's nominated adviser and broker pursuant to the AIM Rules, details of which are set in paragraph 16 of Part III to this document;
NASDAQ	the NASDAQ Global Select Market, on which the Share Capital is currently listed for trading;

Net or net	(i) in relation to the Company's interest in production and reserves, the Company's working interest (operating and non-operating) share after deduction of royalty obligations, plus the Company's royalty interest in production or reserves, before taxes; (ii) in relation to the Company's interest in wells, the number of wells obtained by aggregating the Company's working interest in each of its gross wells; and (iii) in relation to the Company's interest in a property, the total area in which the Company has an interest multiplied by the working interest owned by the Company;
NI 51-101	National Instrument 51-101 – <i>Standards of Disclosure for Oil and Gas Activities</i> of the Canadian Securities Administrators;
NI 58-101	National Instrument 58-101 – <i>Disclosure of Corporate Governance Practices</i> of the Canadian Securities Administrators;
NP 58-201	National Policy 58-201 – <i>Corporate Governance Guidelines</i> of the Canadian Securities Administrators;
NW Gharib or NWG	the North West Gharib concession in Egypt;
NW Sitra or NWS	the North West Sitra concession in Egypt;
Official List	the Official List of the UK Listing Authority;
Options	the existing options to subscribe for Common Shares pursuant to the Stock Option Plan, details of which are set in paragraph 12 of Part III to this document;
Prospectus Rules	the prospectus rules of the FCA made in accordance with section 73A of FSMA as amended from time to time;
PSC	production sharing concession;
PSU	performance share unit, granted under the PSU Plan;
PSU Plan	the performance share unit plan of the Company;
Public Record	information which is public and includes, without limitation, all information filed with the Canadian Securities regulatory authorities on SEDAR at www.sedar.com , filed with the system for electronic disclosure by insiders (available at www.sedi.ca), all information filed with the U.S Securities and Exchange Commission on the Electronic Data Gathering, Analysis, and Retrieval System of the U.S. Securities and Exchange Commission (available at www.sec.gov), and all information available on the Company's website at www.trans-globe.com ;
QCA Code	the QCA Corporate Governance Code published by the Quoted Company Alliance in April 2018;

RSU	restricted share unit, granted under the RSU Plan;
RSU Plan	the restricted share unit plan of the Company;
Securities Act	the United States Securities Act of 1933, as amended;
SEDAR	the System for Electronic Disclosure and Retrieval, a filing system developed for the Canadian Securities Administrators (available at www.sedar.com);
Senior Managers	the senior managers of the Company, whose names are set out on page 15 of this document;
Share Capital	the total number of Common Shares issued by the Company, comprising 72,205,369 Common Shares on the date of this document;
Shareholders	the holders of Common Shares from time to time;
South Alamein	the South Alamein concession in Egypt;
South Ghazalat	the South Ghazalat concession in Egypt;
Stock Option Plan	the Company's stock option plan adopted on 12 May 2016, as amended from time to time, details of which are set in paragraph 12 of Part III to this document;
TPI	TransGlobe Petroleum International Inc.;
TSX	the Toronto Stock Exchange, on which the Share Capital is currently listed for trading;
TSX Rules	the rules, policies, appendices and forms as set forth in the Company Manual of the TSX, as amended from time to time;
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland, its territories and dependencies;
UK Listing Authority	the FCA acting in its capacity as the competent authority for the purposes of Part III of FSMA;
uncertificated or in uncertificated form	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
US	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction;
US\$ or US Dollar	United States dollars, the lawful currency of the United States of America from time to time;

West Bakr	the West Bakr concession in Egypt;
Western Desert	the desert area of Egypt located west of the Nile river;
West Gharib	the West Gharib concession in Egypt;
working interest or WI	<p>means the percentage of undivided interest held by the Corporation in:</p> <ul style="list-style-type: none"> (i) an oil and/or natural gas or mineral lease granted by the mineral owner (whether state or privately owned); or (ii) a PSC (expressed as a percentage of the total share of all the contractor parties under such PSC) to the extent that such rights and obligations have not been otherwise varied by the parties, <p>which interest gives the Corporation the right to "work" the property held under such lease or PSC to explore for, develop, produce and market the substances granted by such lease or PSC, subject to the terms contained therein.</p>
Yemen	the Republic of Yemen; and
£ or Pounds Sterling	pounds sterling, the lawful currency of the UK from time to time.

OIL & GAS DEFINITIONS

API gravity	means the American Petroleum Institute (API) gravity, which is a measure of how heavy or light a petroleum liquid is compared to water. If a petroleum liquid's API gravity is greater than 10, it is lighter and floats on water; if less than 10, it is heavier than water and sinks. API gravity is thus a measure of the relative density of a petroleum liquid and the density of water, but it is used to compare the relative densities of petroleum liquids;
crude oil or oil	a mixture consisting mainly of pentanes and heavier hydrocarbons that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons but does not include liquids obtained from the processing of natural gas;
forecast prices and costs	future prices and costs that are: <ul style="list-style-type: none">(i) generally accepted as being a reasonable outlook of the future; or(ii) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Company is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in subparagraph (i);
heavy oil	crude oil with a relative density greater than 10 degrees API gravity and less than or equal to 22.3 degrees API gravity;
light oil	crude oil with a relative density greater than 31.1 degrees API gravity;
natural gas	means a naturally occurring mixture of hydrocarbon gases and other gases;
natural gas liquids	those hydrocarbon components that can be recovered from natural gas as a liquid including, but not limited to, ethane, propane, butanes, pentanes plus, and condensates;
possible reserves	are those additional reserves that are less certain to be recovered than probable resources. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves;
probable reserves	are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves;
proved reserves	are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves;

reserves

are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on:

- (i) analysis of drilling, geological, geophysical and engineering data;
- (ii) the use of established technology; and
- (iii) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates; and

undeveloped reserves

are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned.

A glossary of technical abbreviations and expressions is set out on page 14 of this document.

TECHNICAL ABBREVIATIONS AND CONVENTIONS

The following table provides an explanation of certain technical terms and abbreviations used in this document. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms.

Oil		Natural Gas	
bbbl	barrel	Mcf	thousand cubic feet
bbls	barrels	MMcf	Million cubic feet
Mbbl	thousand barrels		
Mbbl/d	thousand barrels per day		
MMbbl	million barrels		
bbls/d	barrels per day		
Other			
boe	barrels of oil equivalent, using the conversion factor of 6 Mcf: 1bbl		
Mboe	thousand barrels of oil equivalent		
MMboe	million barrels of oil equivalent		
boe/d	barrel of oil equivalent per day		

'Boes' may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1. Utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Robert Gibson Jennings – <i>Chairman of the Board and Director</i> Ross Gordon Clarkson – <i>Chief Executive Officer and Director</i> Randall Clifford Neely – <i>President and Director</i> Matthew James Brister – <i>Director</i> David Bruce Cook – <i>Director</i> Frederick John Dymont – <i>Director</i> George Robert MacDougall – <i>Director</i> Susan Mary MacKenzie – <i>Director</i> Steven William Sinclair – <i>Director</i>
Senior Managers:	Ross Gordon Clarkson – <i>Chief Executive Officer</i> Lloyd William Herrick – <i>Vice-President, Chief Operating Officer</i> Randall Clifford Neely – <i>President</i> Edward Dale Ok – <i>Vice-President, Finance, and Chief Financial Officer</i> Brett Norris – <i>Vice-President, Exploration</i>
Company Secretary:	Marilyn Vrooman-Robertson
Principal Office:	2300, 250 – 5 th Street SW Calgary, Alberta Canada T2P 0R4
Registered office:	2400, 525 – 8 th Avenue SW Calgary, Alberta, Canada T2P 1G1
Registration Number:	2011125313
Nominated Adviser and Joint Broker:	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR
Joint Broker	GMP FirstEnergy 85 London Wall London EC2M 7AD
Solicitors to the Company as to English law:	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Solicitors to the Company as to Canadian law:	Burnet, Duckworth & Palmer, LLP 2400, 525 – 8 th Avenue SW Calgary, Alberta Canada T2P 1G1
Counsel to the Company as to Egyptian law:	Sharkawy & Sarhan Law Firm Metwaly El Shaarawy St., Sheraton Heliopolis Egypt

Counsel to the Company as to TCI law:	Misick & Stanbrook, Barristers and Attorneys Richmond House P.O. Box 127 122 Blue Mountain Road Leeward Highway, Providenciales Turks and Caicos Islands, TKCA 1ZZ British West Indies
Solicitors to the Nominated Adviser and Broker	Bird & Bird, LLP 12 New Fetter Lane London EC4A 1JP
Reporting Accountants to the Company:	Grant Thornton UK, LLP 30 Finsbury Square London EC2A 1AG
Auditors to the Company:	Deloitte LLP Suite 700 850 – 2nd Street SW Calgary, Alberta Canada T2P 0R8
Competent Person:	GLJ Petroleum Consultants Ltd. Suite 4100, 400 – 3 rd Avenue SW Calgary, Alberta Canada T2P 4H2
Financial PR:	FTI Consulting Inc. 200 Aldersgate Aldersgate Street London EC1A 4HD
Depository	Computershare Investor Services plc The Pavilions Bridgwater Road Bristol BS13 8AE
Transfer Agent and Registrar	Computershare Trust Company of Canada 600, 530 – 8th Avenue SW Calgary, Alberta Canada T2P 3S8
Company's website:	www.trans-globe.com

PART I INFORMATION ON THE GROUP

1. Introduction

TransGlobe is an independent international upstream oil and gas company with headquarters in Calgary, Canada, whose main business activities consist of the exploration, development and production of crude oil and natural gas liquids. The Company currently has exploration and production operations in the Arab Republic of Egypt and Canada. In Egypt, the Company currently holds a 100% interest in six PSCs: West Gharib, West Bakr, NW Gharib, South Alamein, South Ghazalat and NW Sitra. Canadian operations are in west central Alberta, Canada, where the Company owns production and working interests in certain Cardium light and Mannville liquids-rich gas fields in the Harmattan area. As at 31 December 2017, the Company had total gross proved plus probable reserves of 45.9 MMboe and average production in Q1 2018 was 14,375 boe/d. See the Company's CPR and 2017 Year End Materials on the Company's website (www.trans-globe.com) for further details of the Company's reserves data, its assets and a description of its oil and gas activities.

The Common Shares have been listed on the TSX under the symbol "TGL" since 7 November 1997 and on the NASDAQ under the symbol "TGA" since 18 January 2008.

2. History and Development of the Company

TransGlobe was incorporated on 6 August 1968 and was organised under variations of the name "Dusty Mac" as a mineral exploration and extraction venture under the *Companies Act* (British Columbia). The Company changed its name to "TransGlobe Energy Corporation" on 2 April 1996, and on 9 June 2004 the Company continued from the Province of British Columbia to the Province of Alberta pursuant to the *ABCA*.

3. Strategy and Objectives

TransGlobe is positioned with a producing asset base, established working relationships within Egypt and cash flows from both its Egyptian and Canadian business units.

The Company's focus is to leverage its strong asset base and balance sheet to build a diversified, profitable and growth oriented international portfolio of assets capable of generating cash-flow and building shareholder value over the long term.

The Company's strategy is to grow the Group's annual cash flow through exploitation, development, exploration and acquisitions. The Company's acquisition efforts will target opportunities where the Group can leverage its operational and technical strengths with a primary geographic focus on Egypt as well as the Middle East, Africa and Europe.

4. Key Strengths

The Directors believe that the Group's key strengths include:

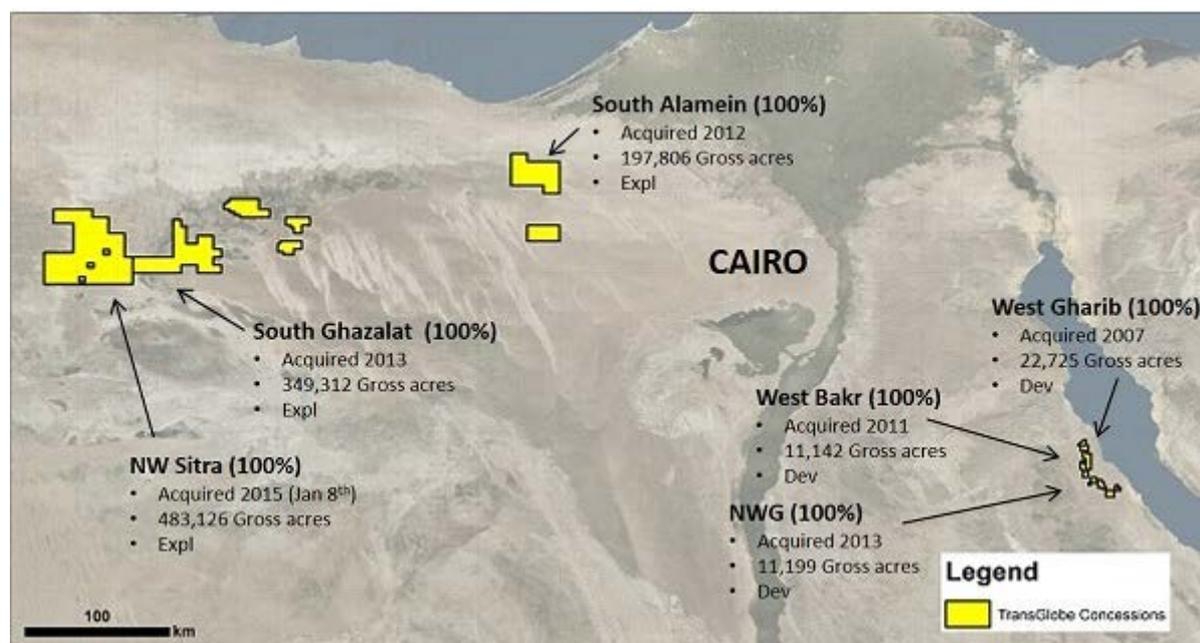
- an experienced and respected Board and Senior Management team with a strong track record in development drilling and reservoir management;
- a diversified production base;
- reserve base of 45.9 MMboe of gross proved plus probable reserves as at 31 December 2017;
- high working interests and operatorship of oil-focused assets;
- a work programme for both the Egyptian and Canadian assets; and
- a capital plan funded from operating cash flows.

See the Company's CPR and 2017 Year End Materials on the Company's website (www.transglobe.com) for further details of the Company's reserves data, its assets and description of its oil and gas activities.

5. Egyptian Assets

The Company currently holds a 100% working interest in six concessions in onshore Egypt. The assets are spread across two regions: the Eastern Desert, which contains the West Gharib, West Bakr, and North West Gharib concessions, which account for the Company's current Egyptian production; and the Western Desert, which contains the South Alamein, South Ghazalat and North West Sitra concessions, which are all in the exploration phase. The Company is now producing at an average rate of 11.8 Mbb/d (Q1 2018) with proved plus probable gross reserves of 26.6 MMbbl as at 31 December 2017.

A map showing the location of these assets is shown below.



(Source: Annual Information Form)

Production Asset Portfolio

The Company's core producing assets are the West Gharib and West Bakr concessions located southeast of Cairo in the Eastern Desert, with additional incremental production also coming from North West Gharib.

West Gharib

TransGlobe, through its subsidiary TransGlobe West Gharib Inc., first acquired a 50% working interest and operatorship of West Gharib before acquiring a further 30% and the final 20% in January 2010. The West Gharib concession is currently comprised of five development leases which are West Gharib (Hana), Hoshia, West Hoshia, Arta and East Arta. These properties produce heavy oil from a combination of the early-to-mid Miocene Nukhul, Rudeis and Kareem Formations. Over the course of 2017, the West Gharib wells were producing at an average rate of 5,952 bbls/d.

As part of the Company's 2018 operational plan the Company has drilled two development wells in West Gharib at Arta 48 and Arta 54 targeting the Nukhul / Red Bed formation on the northern edge of the main Arta pool.

West Bakr

The West Bakr concession is located in the same vicinity as West Gharib and was acquired by TransGlobe in December 2011. The concession currently consists of two blocks, the H Block and K Block development leases. These leases contain multiple fields and include 85 existing wells targeting the mid-Miocene Rudeis Group. During 2017 the West Bakr concession produced at an average rate of 5,758 bbls/d.

As part of the Company's 2018 development plan, the Company has drilled the K-46 and K-45 oil wells in the South K field.

Further planned development work in the West Bakr concession includes the drilling of up to a total of three additional development wells in 2018, including the drilling of two wells in the M-Field. The Company's development plans also include further water-flood optimisation work to increase the current fluid handling capacity of the K and H central production facilities.

North West Gharib

The concession, acquired by TransGlobe in November 2013, is located in the same vicinity as the Company's core West Gharib / West Bakr PSCs. NWG is comprised of four development leases (NWG DL 1,2,3 and 4). These existing wells have penetrated the Eocene Thebes Formation and the Miocene Upper Nukhul, Lower Nukhul / Red Bed and Rudeis Formations. NWG produced at an average rate of 1,113 bbls/d in 2017.

TransGlobe's planned development work in 2018 for North West Gharib includes drilling two wells in the NWG 38A Pool.

Exploration Asset Portfolio

South Alamein

South Alamein is located within the Alamein and Tiba hydrocarbon basins. TransGlobe first acquired a 50% non-operated interest in the South Alamein concession pursuant to an agreement dated April 2012, before acquiring the remaining 50% and operatorship pursuant to an agreement dated June 2012.

The Company has identified a Jurassic prospect in South Alamein as part of the Company's drilling exploration programme. The proposed Jurassic drilling location was subsequently rejected by the military. The Company has requested an extension to the expiry date of the concession which, based on the most recent discussions with EGPC, the Company anticipates receiving prior to the concession expiry date in June of 2018. The concession will terminate if the extension is not received by the expiry date.

South Ghazalat

South Ghazalat is an exploration concession located in the Abu Gharadig basin. TransGlobe acquired a 100% working interest in the South Ghazalat concession in November 2013. The Company is planning on drilling two independent stacked Cretaceous structures within this concession as part of the 2018 exploration programme.

North West Sitra

NWS is an exploration concession acquired by TransGlobe in January 2015. It is located immediately west of the Company's South Ghazalat concession, and also lies within the Abu Gharadig basin. The Company is planning on drilling two wells in 2018, specifically NWS 12, a stacked Cretaceous / Jurassic prospect, and NWS 9, a stacked Cretaceous prospect.

The first phase of the exploration period for NW Sitra expires in 7 July 2018. The Company is mobilising the drilling rigs to drill two exploration wells, Drilling is expected to commence in July 2018. NW Sitra provides an automatic six month extension of the exploration phase if the Company is in the process of drilling or evaluating the drilling at the time of expiry. The Company will make a determination whether to enter into phase two after assessing the drilling results.

A summary of the Company's Egyptian assets can be found in the table below. As at the date of this document, the following PSCs are held by various wholly-owned subsidiaries of TransGlobe Petroleum International Inc.:

Summary of Egyptian Assets

Eastern Desert Egypt

Block	West Gharib	West Bakr	NW Gharib
Basin	Gulf of Suez	Gulf of Suez	Gulf of Suez
Year Acquired	2007	2011	2013
Status	Production & Development	Production & Development	Production & Development
Licence Holder	TransGlobe West Gharib Inc.	TransGlobe West Bakr Inc.	TG NW Gharib Inc.
Contractor	TransGlobe	TransGlobe	TransGlobe
TransGlobe WI (%)	100%	100%	100%
Gross License Area (km ²)	92.2	45.1	45.3
Expiry date	2019-2026 ¹	April 2020 ²	2036
Extensions			
Exploration	N/A	N/A	N/A
Development	+ 5 years	+ 5 years	+ 5 years

¹ Each development lease has its own expiry date, which range from 2019 to 2026, and all are subject to a five year extension beyond such expiry.

² The initial development phase was 20 years plus a ten year extension which would have expired in 2010. However, the West Bakr concession was amended in 2005 to extend the term of the development leases to 2020 plus a five year extension.

Western Desert Egypt

Block	South Alamein	South Ghazalat	NW Sitra
Basin	Western Desert	Western Desert	Western Desert
Year Acquired	2012	2013	2015
Status	Exploration	Exploration	Exploration
Licence Holder	TG South Alamein Inc. (50%) and TG South Alamein II Inc. (50%)	TG S Ghazalat Inc.	TransGlobe Petroleum Egypt Inc.
Contractor	TransGlobe	TransGlobe	TransGlobe
TransGlobe WI (%)	100%	100%	100%
Gross License Area (km ²)	800	1,414	1,946
Expiry date	26 June 2018 ³	7 November 2018 ⁴	7 July 2018 ⁵
Extensions			
Exploration	N/A	+2 years	+3.5 years
Development	20 + 5 years	20 + 5 years	20 + 5 years

(Source: CPR "Summary of Oil and Gas Assets" and Company Materials)

For full technical details regarding the Group's assets in Egypt, reference should be made to the 2017 Year End Materials and in particular, the statement of reserves data and other oil and gas information contained in the Company's Annual Information Form, and the complete text of the CPR.

³ The Company is in the process of negotiating an extension to the South Alamein concession due to access issues as a result of military restrictions.

⁴ The Company will complete the drilling of the two exploration wells in South Ghazalat prior to the expiry of the second exploration phase and will make a determination whether to enter into phase three, which will extend the exploration on the South Ghazalat concession to November 2020 if elected.

⁵ The Company will be drilling the two programmed exploration wells at the expiry of the first exploration phase on the NW Sitra PSC. The terms of the PSC provide an automatic six month extension of the exploration phase if the Company is in the process of drilling or evaluating the drilling at the time of expiry. The Company will make a determination whether to enter into phase two, following the drilling planned for 2018.

TransGlobe re-entered Canada in December 2016 through the acquisition of producing and developing assets in the Harmattan area. Since the acquisition, TransGlobe has drilled three horizontal development oil wells in the Harmattan area, which were placed into production in October 2017.

As part of the 2018 budget, the Company plans to drill 6 horizontal wells.

Summary of Canadian Assets

As at the date of this document, the following assets are held by the Group in Canada:

Asset	Harmattan	Lone Pine
Year Acquired	2016	2016
Status	Production & Development	Production & Development
Licence Holder	TransGlobe	TransGlobe
Operator	TransGlobe	TransGlobe
TransGlobe WI (%)	97%	100%
Gross License Area (km ²)	165	183
Expiry date	N/A	N/A

(Source: CPR "Summary of Oil and Gas Assets" and Company Materials)

The majority of the Company's licenses are held directly by the Company. For full technical details regarding the Group's assets in Canada, reference should be made to the 2017 Year End Materials and in particular, the statement of reserves data and other oil and gas information contained in the Company's Annual Information Form, and the complete text of the CPR.

7. Operations Review – 2017 and Q1 2018

In Egypt, total capital expenditures in 2017 were \$31.2 million (2016 - \$26.7 million). The Company spent \$13.4 million in drilling, \$4.9 million on seismic acquisition, \$2.9 million on completions, \$1.1 million on workovers and \$3.9 million on facilities and construction / maintenance and \$1.0 million related to the approval for three development leases.

In Egypt, during the year 2017, the Company drilled ten exploration wells, four development wells and one appraisal well.

In Canada, during the year 2017, the Company drilled, equipped and tied in three horizontal Cardium oil wells in Harmattan.

In 2017, the Company's total production increased by 28% to 15,506 boe/d (2016 – 12,105 boe/d). Production from Egypt averaged 12,822 bbls/d to TransGlobe during 2017 (2016 – 12,015 boe/d). Production from Canada averaged 2,684 boe/d during 2017 (2016 - 90 boe/d). Further details of the Group's 2017 operations are set out in the Year End Materials.

In the first quarter of 2018, two development wells (Arta-48 & K-46) were drilled in Egypt. Q1 2018 production averaged 14,375 boe/d (11,777 bbls/d from Egypt and 2,598 in Canada). Further information regarding the Group's operations in 2017 is available in the 2017 Year End Materials and additional information on the Company's first quarter 2018 results is available in the 2018 Q1 Materials.

8. Capital Expenditure and Exploration Work Programme Commitments

2018 Capital Budget

The Company's 2018 budgeted capital programme of US\$41.3 million (before capitalised G&A) includes US\$29.1 million for Egypt and US\$12.2 million for Canada. The 2018 capital programme is balanced to anticipated funds flow from operations using a US\$55/bbl Brent oil price forecast.

Egypt

The US\$29.1 million capital programme for Egypt has US\$11.7 million allocated to exploration and US\$17.4 million to development. The US\$11.7 million 2018 exploration programme is focused entirely on the Western Desert with five exploration wells planned (two wells in South Ghazalat, two wells in NW Sitra and one well in South Alamein). The US\$17.4 million 2018 development programme, focused entirely on the Eastern Desert, includes: eight development wells (five in West Bakr, two in NW Gharib and one in West Gharib) and development / maintenance projects in West Bakr, NW Gharib and West Gharib.

The primary focus of the 2018 Egypt capital plan is to sustain and grow Eastern Desert production and to evaluate the Group's Western Desert exploration lands. The exploration program is designed to test an independent structure at South Alamein to prove up additional oil reserves on the concession and to test four independent structures on South Ghazalat and NW Sitra. The South Alamein well may be delayed due to military approval delays and negotiations with EGPC to extend the expiry date of the concession. No production is budgeted from the Western Desert exploration assets in 2018.

Canada

The US\$12.2 million budgeted programme for Canada currently consists of six horizontal (multi-stage frac) wells targeting the Cardium light oil resource at Harmattan and additional maintenance / development capital.

The Company's 2018 capital programme is summarised in the following table:

Concession	TransGlobe 2018 Capital (US\$MM)				Total	Gross Well Count		
	Development		Exploration			Drilling		
	Wells*	Other	Wells*	Other		Devel	Explor	Total
West Gharib	2.6	1.1	-	-	3.7	1	-	1
West Bakr	7.3	3.1	-	-	10.4	5	-	5
NW Gharib	2.4	0.9	-	-	3.3	2	-	2
NW Sitra	-	-	5.2	0.2	5.4	-	2	2
South Ghazalat	-	-	3.3	0.2	3.5	-	2	2
South Alamein	-	-	2.8	-	2.8	-	1	1
Egypt	\$12.3	\$5.1	\$11.3	\$0.4	\$29.1	8	5	13
Canada	\$11.2	\$1.0	-	-	\$12.2	6	-	6
2018 Total	\$23.5	\$6.1	\$11.3	\$0.4	\$41.3	14	5	19
Splits (%)	71%		29%		100%	74%	26%	100%

* Wells includes new wells, completions, workovers, recompletions and equipping.

Additional information concerning the above matters is set out in the 2017 Year End Materials.

Exploration Work Programme Commitments

Egypt: Eastern Desert

In the West Gharib, West Bakr and NW Gharib concessions, all work commitments have been fulfilled.

Egypt: Western Desert

In the South Alamein concession, all work commitments have been fulfilled.

In the South Ghazalat concession, the Group has met its financial commitment for the first phase and the first extension; however, the Group has not completed the first phase work program.

In the North West Sitra concession, the Group has a minimum financial commitment of US\$10 million (net) and a work commitment for two wells and 300km² of 3-D seismic during the initial three and a half year exploration period, which commenced on 8 January 2015. As at 31 December 2017, the Company had acquired 600km of seismic and expended US\$4.9 million towards meeting the financial commitment. The initial exploration period expires on 7 July 2018, and if drilling operations are underway will be automatically extended by six months which would enable the Company to meet its financial and work commitment program.

Canada

As to the Group's Canadian assets, the Group entered into a minor drilling commitment in early 2018, and agreed to drill at least six horizontal wells into the Cardium formation in certain lands within the subsequent two years. For wells not drilled in this timeframe, failure to drill such qualifying wells could lead to a penalty of C\$100,000 per well.

9. Competent Person's Report

The Competent Person's Report was prepared in accordance with the "AIM Note for Mining, Oil and Gas Companies, June 2009", as published by the London Stock Exchange and the reserves definitions, standards and procedures contained in COGEH, which replaced the standards published by the CIM known as National Policy 2B (CIM NP-2B) in June 2002. The results of this evaluation would be the same or not materially different under the use of procedures and standards contained in the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers (SPE).

The Competent Person, whose name and address is set out at page 16 of this document, accepts responsibility for the information contained in the Competent Person's Report and has reviewed and approved the technical information contained in this document. To the best of the knowledge and belief of the Competent Person (who has taken all reasonable care to ensure that such is the case) the information contained in the Competent Person's Report is in accordance with the facts, and does not omit anything likely to affect the import of such information.

10. Reserves Data

The reserves estimates set forth below are extracted from the Competent Person's Report.

Except as otherwise noted, the reserve estimates represent the Group's gross working interest reserves, which are the Group's interest before the deduction of royalties. Reserve estimates and related future net revenue are based on the Competent Person's forecast prices and costs effective 31 December 2017, as set forth in the Competent Person's Report. The recovery and reserve estimations of the Company's crude oil and natural gas reserves provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves. Actual crude oil and natural gas reserves may be greater than or less than the estimates provided herein. Further disclosure with respect to the Company's reserves as at 31 December 2017 is included in the CPR and

the Company's Annual Information Form. The reserves tables below provide a summary of the Group's crude oil and natural gas reserves at 31 December 2017.

Asset	Marketable Reserves	COMPANY GROSS			NET ATTRIBUTABLE			Operator
		Proved	Proved & Probable	Proved, Probable & Possible	Proved	Proved & Probable	Proved, Probable & Possible	
Harmattan, Alberta, Canada	LM OIL (Mbbbl)	3,765	5,673	6,911	3,321	4,977	5,998	TransGlobe Energy Corporation
	Heavy OIL (Mbbbl)	0	0	0	0	0	0	
	Conventional Gas (MMcf)	20,795	36,566	49,117	17,319	31,613	42,448	
	Natural Gas Liquids (Mbbbl)	3,476	6,112	8,210	2,719	5,052	6,800	
	Total BOE (Mboe)	10,706	17,879	23,307	8,926	15,298	19,872	
Lone Pine Alberta, Canada	LM OIL (Mbbbl)	294	635	794	268	561	690	TransGlobe Energy Corporation
	Heavy OIL (Mbbbl)	0	0	0	0	0	0	
	Conventional Gas (MMcf)	2,129	3,756	8,413	1,973	3,464	7,831	
	Natural Gas Liquids (Mbbbl)	67	117	260	51	83	217	
	Total BOE (Mboe)	716	1,377	2,455	648	1,232	2,211	
Northwest Gharib, Egypt	LM OIL (Mbbbl)	0	0	0	0	0	0	TG NW Gharib Inc.
	Heavy OIL (Mbbbl)	624	1,357	2,253	274	596	989	
	Conventional Gas (MMcf)	0	0	0	0	0	0	
	Natural Gas Liquids (Mbbbl)	0	0	0	0	0	0	
	Total BOE (Mboe)	624	1,357	2,253	274	596	989	
West Bakr, Egypt	LM OIL (Mbbbl)	0	0	0	0	0	0	TransGlobe West Bakr Inc.
	Heavy OIL (Mbbbl)	7,799	13,413	17,823	3,727	6,408	8,186	
	Gas (MMcf)	0	0	0	0	0	0	
	Natural Gas Liquids (Mbbbl)	0	0	0	0	0	0	
	Total BOE (Mboe)	7,799	13,413	17,823	3,727	6,408	8,186	
West Gharib, Egypt	LM OIL (Mbbbl)	2,269	3,815	5,494	1,482	2,491	3,584	TransGlobe West Gharib Inc.
	Heavy OIL (Mbbbl)	5,429	8,035	11,155	3,546	5,244	7,275	
	Conventional Gas (MMcf)	0	0	0	0	0	0	
	Natural Gas Liquids (Mbbbl)	0	0	0	0	0	0	
	Total BOE (Mboe)	7,698	11,850	16,648	5,029	7,735	10,859	
Total Assets	LM OIL (Mbbbl)	6,328	10,123	13,198	5,071	8,029	10,271	
	Heavy OIL (Mbbbl)	13,852	22,804	31,230	7,547	12,248	16,450	
	Conventional Gas (MMcf)	22,924	40,322	57,530	19,293	35,076	50,279	
	Natural Gas Liquids (Mbbbl)	3,542	6,229	8,469	2,770	5,145	7,016	
	Total BOE (Mboe)	27,543	45,875	62,485	18,603	31,268	42,118	

Notes:

(1) In the above table, "Company Gross" means the Company's gross reserves, which are the Company's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Company. "Net" means the Company's working interest (operating and non-operating) share after deduction of royalty obligations, plus the Company's royalty interest in production or reserves, before taxes.

(2) The definition of "Company Gross" in (1) above, which is the definition contained in NI 51-101 and the COGE Handbook, differs from the definition of "Gross" contained in the AIM Note for Mining, Oil and Gas Companies, June 2009, which forms part of the AIM Rules (the "AIM Note"), each as published by the London Stock Exchange. The definition of "Gross" contained in the AIM Note is "100% working interest reserves and/or resources attributable to the license" while "Net attributable" are those attributable to the Company. For further information regarding the application of the definition of "Gross" contained in the AIM Note to the reserves in the above table as at December 31, 2017, see the Competent Person's Report under the heading "Corporate Summary – Summary of Oil and Gas Reserves by Status (AIM Note)".

(3) "Operator" is the name of the company that operates the asset. Although the operators for Northwest Gharib, West Bakr, and West Gharib are as noted above, each of the operators has formed an incorporated joint venture company with the Egyptian General Petroleum Corporation, with each party holding a 50% interest in such company, the purpose of which is to carry out the exploitation operations for each concession. The joint venture companies for the Northwest Gharib, West Bakr, and West Gharib concessions are, respectively, North West Gharib Petroleum Company, West Bakr Petroleum Company and Dara Petroleum Co.

11. Historic Financial Information, Current Trading and Prospects for the Company

The audited consolidated financial statements relating to the Group for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 can be found under the Company's SEDAR profile at www.sedar.com. The unaudited condensed consolidated interim financial statements of the Group for the three months ended 31 March 2018 can be found under the Company's SEDAR profile at www.sedar.com.

During 2017 the Group generated positive funds flow from operations of US\$55.6 million (US\$0.77 per share), compared with negative funds flow from operations of US\$8.4 million in 2016 (negative US\$0.12 per share).

The Group ended 2017 with positive working capital of US\$50.6 million (which includes cash and cash equivalents of US\$47.4 million) compared to a working capital deficiency of US\$16.8 million at the end of 2016.

The Company experienced a net loss of US\$78.7 million inclusive of a US\$79.0 million non-cash impairment loss on the Company's exploration and evaluation assets and an US\$8.0 million unrealized derivative loss on commodity contracts (mark-to-market loss on the Company's hedging contracts).

Dated Brent oil prices averaged \$66.81 per barrel in the first quarter of 2018. TransGlobe's crude oil is sold at a quality discount to Dated Brent and received a blended price of \$56.20 per barrel during the quarter. TransGlobe's Canadian oil production received an average of \$57.15 per barrel of oil and \$1.70 per Mmcf of natural gas during the first quarter.

The Group had funds flow from operations of \$3.9 million and ended Q1 2018 with positive working capital of \$45.3 million, which included cash and cash equivalents of \$31.1 million and debt outstanding of \$67.2 million.

The Group experienced a net loss in the first quarter of 2018 of \$10.1 million, including a \$6.0 million unrealized loss on derivative commodity contracts. The loss on derivative commodity contracts represents a fair value adjustment on the Company's hedging contracts as at 31 March 2018.

12. Reasons for Admission

The Directors' reasons for seeking Admission are as follows:

- to enhance liquidity for the Company's shareholders and provide more direct access to the London capital markets;
- to enable the Company to access a wider range of potential investors and broaden its investor base;
- to improve the Company's ability to access further funding from international capital markets and to finance the future growth of the business consistent with its current strategy; and

Application has been made to the London Stock Exchange for the existing Common Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence on 29 June 2018.

Pursuant to the TSX Rules, the Company will provide notification to the TSX of its application for its Share Capital to be admitted to trading on the AIM.

13. Directors and Senior Managers

As at the date of this document, the Board comprises two executive directors based in Alberta, Canada and six non-executive directors based in Alberta, Canada and one in Denmark. On Admission, the Directors will hold approximately 5.09% of the Share Capital.

Directors

As at the date of this document, the Board comprises the following Directors:

Robert Gibson Jennings, aged 72, Chairman of the Board and Director

Mr Jennings retired in 2011 from Jennings Capital Inc., which he established in 1993, as a full service, independent investment firm providing corporations with research, corporate finance and sales services in both the national and international marketplace. From 1969 to 1979, Mr Jennings was employed by McLeod Young Weir (predecessor to ScotiaMcLeod), where he held positions of increasing responsibility, initially as an oil and gas analyst and then in the corporate finance team in Alberta. In 1976 he was promoted to Vice President of corporate finance for Alberta, a position which he held until 1979. In January 1979, Mr Jennings created a boutique firm, Carson Jennings & Associates, focused on oil and gas private placements and merger / acquisition activities. In September 1988, he sold the firm to Walwyn Stodgell Ltd., (prior to its takeover of Midland Doherty), accepting the position of Senior Vice President and Director of Corporate and Government Finance for Western Canada with Midland Walwyn Capital Inc. He remained in the position until August 1993, when he founded Jennings Capital Inc. in Calgary. Mr. Jennings has and currently serves as a board member on certain private companies as well as educational and charitable organisations.

Ross Gordon Clarkson, aged 64, Chief Executive Officer and Director

Mr Clarkson has served as President and Chief Executive Officer of the Company since 4 December 1996 and as a director of the Company since October 1995. He has over 40 years' oil and gas industry experience as a senior geological advisor. Mr Clarkson was employed as a senior geologist with Petro-Canada from 1988 to 1996. Prior to that, he served as Resident Manager of Petro-Canada (Yemen) Inc., as Senior Project Geologist of Canadian Occidental Petroleum Ltd. in Yemen (now Nexen Inc.) and as supervisor of international exploration / geologist with Ranger Oil Limited, giving him over 40 years of domestic and international oil and gas exploration experience. His international familiarity extends to numerous countries on all continents. Mr. Clarkson also holds an ICD.D designation from the Institute of Corporate Directors.

Randall Clifford Neely, aged 51, President and Director

Mr. Neely was appointed President of the Company in January 2018 and to the Board in May 2018. He was previously appointed as Vice President, Finance and CFO in May 2012. Mr. Neely has 25 years of experience in executive and financial roles, including CFO of Zodiac Exploration, CFO of Pearl (Blackpearl) Exploration & Production and CFO of Trident Exploration. Prior to working directly in the oil and gas industry, Mr. Neely spent three and a half years in investment banking with TD Securities and eight years with KPMG LLP.

Matthew James Brister, aged 59, Director

Mr Brister is an independent businessman and experienced director. He has over 40 years' experience in Western Canada (Alberta, British Columbia, Saskatchewan and the North West Territories), North Africa and the North Sea. Mr Brister is Chairman of Chinook Energy Inc. and previously served as Chairman, President and CEO for the period of 2010 - 2014. He served as Chief Executive Officer of Storm Ventures International (SVI) from 2005 to 2010. Prior to this, he served as President and Chief Executive Officer of Storm Energy Ltd. and Storm Energy Inc. from 1998 to 2004. Prior to this, Mr Brister held various positions with Pinnacle Resources Ltd. from 1987 to 1998 including as President and Chief Executive Officer from 1994 to 1998. Mr Brister holds a B.Sc. in Geology from the University of Calgary.

David Bruce Cook, aged 55, Director

Mr. Cook was appointed to the Board in August 2014. Mr. Cook is currently Head of Strategy for INEOS Oil & Gas, recently having transitioned from his role as CEO INEOS DeNoS, located in Copenhagen, Denmark. Mr. Cook was previously Chief Executive Officer of DONG Exploration and Production, part of the DONG energy group based in Denmark. He possesses more than 25 years' experience in the energy business having held senior positions at The Abu Dhabi National Energy Company PJSC (“TAQA”), Amoco, BP and TNK-BP. Mr. Cook served as Executive Officer and Head of Oil and Gas at TAQA where he led the company's upstream and midstream interests in the Middle East, North America, the United Kingdom, and Europe. Prior to joining TAQA, he served as Vice President for BP Russia, responsible for BP's non-TNK-BP exploration and production activities in Russia. He has held a variety of global technical, commercial and managerial positions based from the US, UK, Russia and the Middle East, as well as Board Director roles. Mr. Cook has previously served on the Board of WesternZagros Ltd. in addition to previously serving as a Director for three BP / Rosneft joint ventures.

Frederick John Dymont, aged 69, Director

Mr Dymont is an independent businessman. Mr Dymont is an experienced senior executive and board director, with over 40 years of experience in the oil and natural gas industry. From 1978 to 2000, Mr Dymont held increasingly senior positions with Ranger Oil Limited, including Chief Financial Officer, President and Chief Executive Officer. Mr Dymont also held the position of President and Chief Executive Officer at Maxx Petroleum Company from 2000 to 2001. Mr. Dymont stepped down as Chairman of WesternZagros Resources Ltd., an international resource company engaged in acquiring properties and exploring for, developing and producing crude oil and natural gas on January 1, 2016. Mr. Dymont received a Chartered Accountant designation from the province of Ontario in 1972.

George Robert MacDougall, aged 55, Director

From 2004 and until his retirement in 2012, Mr MacDougall served as Executive Vice President and Chief Operating Officer of Vermilion Energy Inc., where he led the company's operating business both domestically and internationally, with assets in Canada, France, the Netherlands, Australia and Ireland. Prior to this, Mr MacDougall worked for Chevron for nearly 20 years in production and drilling operations and served as General Manager of Production and Operations for ChevronTexaco's Western Canadian producing properties. He has over 30 years' experience in domestic and international oil and gas operations as well as and senior executive management experience. Mr MacDougall has an engineering Diploma from Saint Francis Xavier University and a Bachelor of Science degree in Engineering from Technical University of Nova Scotia.

Susan Mary MacKenzie, aged 57, Director

Ms MacKenzie served as Chief Operating Officer for Oilsands Quest Inc., a NYSE Amex listed oil sands company, from April 2010 to September 2010. Prior to that, Ms MacKenzie was employed for 12 years at PetroCanada, where she held senior roles including Vice President, Human Resources and Vice President of In Situ Development and Operations. Beforehand she was employed by Amoco Canada Petroleum Company Ltd. for 14 years in a variety of engineering and leadership roles in natural gas, conventional oil and heavy oil exploitation. Ms MacKenzie holds a Bachelor of Engineering (Mechanical) degree from McGill University and a MBA from the University of Calgary. She is a member of the Association of Professional Engineers and Geoscientists of Alberta. Ms MacKenzie also holds the ICD.D designation from the Institute of Corporate Directors.

Steven William Sinclair, aged 61, Director

Mr Sinclair has over 30 years of financial and operating experience, having retired from his position of Senior Vice President and Chief Financial Officer of ARC Resources Ltd in 2014. Mr Sinclair is also a director and chair of the audit committee of a Calgary headquartered private oil and gas company. Mr Sinclair received his Bachelor of Commerce degree from the University of Calgary in 1978 and his Chartered Accountant's designation in 1981.

Senior Managers

Lloyd William Herrick, aged 65, Vice-President and Chief Operating Officer

Mr. Herrick was appointed Vice President, Chief Operating Officer and director of the Company in April 1999, and did not stand for re-election as a director of the Company at the Company's annual and special meeting of shareholders held on May 11, 2018. Mr Herrick remains the Company's Chief Operating Officer and a member of the Company's senior management team. Prior to joining TransGlobe in April 1999 Mr. Herrick was President, Chief Executive Officer and member of the board of Moibus Resource Corporation, which was acquired by TransGlobe in April 1999. Mr. Herrick is a professional engineer with more than 40 years of oil and gas experience. Prior to Moibus, Mr. Herrick was with Ranger Oil Limited, serving in a variety of technical and management / executive positions including Vice President, Canadian Production from 1993 onward. Prior thereto, he was a petroleum engineer with Rupertsland Resources Ltd. and a production evaluations engineer with Hudson's Bay Oil & Gas Ltd.

Edward Dale Ok, aged 35, Vice-President Finance and Chief Financial Officer

Mr. Ok joined the Company in 2012 as Deputy Finance Manager in its Cairo office and became the Company Controller based in Calgary in 2015. Prior to joining TransGlobe, Mr. Ok was employed by Zodiac Exploration and has over 10 years of corporate finance and accounting experience. He holds a Bachelor of Commerce from the University of Alberta, is a Chartered Accountant licensed in the Province of Alberta and a Certified Public Accountant licensed in Washington State.

Brett Norris, aged 55, Vice-President, Exploration

Mr Norris has served as Vice President Exploration of the Company since 8 April 2012 and has held other positions with the Company since 2006. He is a professional geologist with over 24 years of domestic and international experience and a registered member of the Association of Professional Engineer and Geosciences of Alberta.

14. Corporate Governance

General

The Company is currently listed on the TSX and on NASDAQ. The Board is responsible for governance of the Company.

The Company is subject, among other laws and regulations, to instruments published by relevant Canadian securities regulators. One such instrument, NI 58-101, prescribes certain disclosure by the Company of its corporate governance practices and NP 58-201, provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company.

The Company has adopted corporate governance practices and procedures consistent with the relevant Canadian corporate governance standards appropriate for a publicly listed company. In particular, the Company has adopted a corporate code of conduct and mandate for its Board. It has also established and properly constituted an Audit Committee, a Compensation Human Resources and Governance Committee, a Reserves, Health, Safety, Environment and Social Responsibility Committee (RHSES Committee) and a Disclosure Committee to assist the Board in fulfilling its responsibilities for governing the Company. In addition, the Company will, from Admission, have in place an AIM Rules Compliance Committee with formally delegated duties and responsibilities designed to ensure compliance with the AIM rules.

With effect from Admission, the Board will adopt a new Share Dealing and Insider Trading Policy, described in further detail below, to which all Directors, officers and employees will be subject. The policy will be designed to ensure that it contains appropriate provisions for a company whose shares are admitted to trading on AIM. The Board will also adopt an AIM Rules Compliance Code, effective from Admission.

The Company will continue to implement corporate governance practices and procedures consistent with those standards applied by public companies in Canada. These standards differ somewhat from those set out in the QCA Code. The Company complies with the QCA Code in all respects except as follows:

- Except as otherwise disclosed in the Public Record from time to time, the Company does not explain the actions that the Company takes to understand why shareholders vote against a resolution by more than 20%. The Company will continue to engage with shareholders (where appropriate) if a significant number of shareholders have voted against a resolution and intends to provide an explanation of such actions.
- The Company posts on its website most (but not all) of the information required by the QCA Code to be posted. Such information is available on SEDAR or summarised in documents filed on SEDAR. Following the Admission Date, the Company intends to post or make available the required documents on its website.
- The Company does not provide an overview of the results of its board performance evaluation. While ongoing board performance evaluations are expected to continue, the Board does not intend to disclose the results of the evaluation.

Board Structure

On Admission, the Board will comprise two executive non-independent directors and seven non-executive directors, all of whom are considered to be independent under Canadian securities laws. The Board will comprise three non-independent directors and six non-executive directors, all of whom are considered by the Board to be independent under the QCA Code.

The non-executive Chairman of the Board is responsible for leadership of the Board and for the efficient conduct of the Board's function. The Chairman is expected to encourage the effective contribution of all directors and promote constructive and respectful relations between Directors and Senior Managers.

To provide leadership for its independent directors, the Board ensures that the independent directors have access to the management of TransGlobe. Further, the Board or any committee of the Board may retain, when it considers it necessary or desirable, outside consultants or advisers to advise the Board or any committee of the Board independently on any matter. The Board and any committee of the Board have the sole authority to retain and terminate any such consultants or advisers, including sole authority to review a consultant's or adviser's fees and other retention terms.

The Board is specifically responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval are also required for all material contracts, business transactions and all debt and equity financing proposals. The Board delegates to management, through the offices of the President and Chief Executive Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on TransGlobe's business in the ordinary course, managing TransGlobe's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations relating to corporate objectives, long-term strategic plans and annual operating plans.

Mandate of the Board

It is the responsibility of the Board to diligently oversee the direction and management of the Company while adhering to the highest ethical standards. Specific responsibilities of the Board include: (i) strategic planning and budgets; (ii) review risks identified by the Company's Officers' Risk Committee; (iii) communication and disclosure review; (iv) approve and monitor executive personnel decisions; (v) ensure the integrity of internal controls and management information systems; (vi) review and approval any material transactions; and (vii) adopting and reviewing the Company's whistle-blower mechanism.

Audit Committee

The members of the Audit Committee are the following: Steven Sinclair (Chair), Fred Dymont and Bob MacDougall.

The Audit Committee's overall goal is to ensure that the Company adopts and follows a policy of proper and timely disclosure of material financial information and reviews all material matters affecting the risks and financial position of the Company. The Audit Committee, *inter alia*, meets with the Company's external auditor and its senior financial management to review the annual and interim financial statements of the Company, oversees the Company's accounting and financial reporting processes, the Company's internal accounting controls and the resolution of issues identified by the Company's auditors.

Compensation Human Resources and Governance Committee

The members of the CHRGC are the following: Susan MacKenzie (Chair), Matthew Brister, David Cook and Steven Sinclair.

The Compensation Human Resources and Governance Committee assumes general responsibility for assisting the Board in respect of compensation policies for the Company and to review and recommend remuneration strategies for the Company and proposals relating to compensation for the Company's officers, directors and consultants and to assess the performance of the officers of the Company in fulfilling their responsibilities and meeting corporate objectives. It has the responsibility for, inter alia, administering share and cash incentive plans and programmes for Directors and employees and for approving (or making recommendations to the Board on) share and cash awards for Directors and employees.

RHSES Committee

The members of the RHSES Committee are the following: Bob MacDougall (Chair), Matthew Brister and Susan MacKenzie.

The RHSES Committee is a committee of the Board appointed to assist the Board in monitoring: (i) the integrity of the oil and gas reserves of the Company; (ii) compliance by the Company with legal and regulatory requirements related to reserves; (iii) qualifications, independence and performance of the Company's independent reserve evaluators; (iv) performance of the Company's procedures for providing information to the independent reserve evaluators; and (v) resources other than reserves reported by the Company. Further, the RHSES Committee will assist the Board in carrying out its responsibility to the development and implementation of an effective HSES management system to ensure that the Company's activities are planned and executed in a safe and responsible manner. The RHSES Committee's annual report is included in the annual information form.

Disclosure Committee

The members of the Disclosure Committee are the following: Ross Clarkson (Chair), Randy Neely, Lloyd Herrick, Edward Ok and Brett Norris.

The Board determines the Company's disclosure policy and established a Disclosure Committee responsible for overseeing the Company's disclosure practices. The Disclosure Committee consists of the Chief Executive Officer, the President, the Chief Financial Officer, the Chief Operating Officer and the Vice President - Exploration who are the five individuals to whom potentially material information arrives. The Disclosure Committee has been established with the responsibility of overseeing the Company's disclosure practices. The Disclosure Committee meets or converse as required. The Disclosure Committee reports to the Board on an annual basis.

AIM Rules Compliance Committee

The Company intends to establish an AIM Rules Compliance Committee that will, following Admission, ensure that procedures, resources and controls are in place to ensure AIM Rules compliance by the Company is operating effectively at all times and that the executive directors are communicating as necessary with the Company's nominated adviser regarding ongoing compliance with the AIM Rules and in relation to all announcements and notifications and proposed or potential transactions.

Share Dealing and Insider Trading Policy

The Company currently operates a Disclosure Policy in respect of its listing on the TSX which applies to the Directors, officers and certain employees of the Company. The Company has adopted, with effect from Admission, a new policy on dealing in the Company's securities and confidentiality of inside information for the Directors, officers and certain employees. The new policy contains provisions appropriate for a company whose shares are admitted to trading on AIM and which is governed by the Market Abuse Regulation, the Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with such policy.

Ethical Business Conduct

The Company has adopted a corporate code of conduct which is applicable to the Company, its employees and contractors (the "**Corporate Code of Conduct**"). The Corporate Code of Conduct for the Company is intended to guide employees' and contractors' activities to enhance value and to minimise situations where a conflict of interest could arise and where harm to the Company and its employees could occur. The Corporate Code of Conduct addresses responsibilities and values, insider trading, business relationships, entertainment, gifts and favours, compliance and monitoring. Adherence to the policy is monitored by management through routine supervisory practices and an annual Corporate Code of Conduct disclosure and sign-off process. When an investigation results in a finding that the Corporate Code of Conduct has been breached, the employee or contractor who has breached the Corporate Code of Conduct may, depending upon the seriousness of the breach, be subject to discipline up to and including termination of employment.

Share Issues

Whilst the Company is not required under Canadian law to offer new Common Shares to existing Shareholders on a pre-emptive basis, as is required of companies incorporated under CA 2006, the Company is subject to a number of investor or minority protection provisions under the TSX Rules. Additionally, the Company has undertaken to Canaccord (as nominated adviser to the Company with effect from Admissions), and will undertake in similar terms to the nominated adviser to the Company from time to time, pursuant to the Nominated Adviser Agreement that for as long as the Company's Common Shares are admitted to AIM, the Company will not issue new Common Shares accounting for more than 20% in aggregate of the share capital from time to time of the Company on a non-pre-emptive basis in any one year without the approval of Shareholders at a duly called general meeting.

With respect to any private placement of Common Shares, the pricing must be done in accordance with the TSX Rules at all times that the Common Shares are posted and listed for trading thereon, which mandates, among other things, that shareholder approval is required if the maximum discount to the prevailing market exceeds 25% if the Common Shares trade at or below C\$0.50 (or 20 % in the event that the Common Shares trade between C\$0.51 and C\$2.00, or 15% in the event that the Common Shares trade at a price above C\$2.00).

Under the ABCA, no shareholder consent is required to issue shares pursuant to a public or private offering of securities by the Company. However, under the TSX Rules, shareholder approval may be required if an issuance of shares materially affects control of the Company or provides consideration to insiders in aggregate of 10% or greater of the market capitalisation of the Company, during any six-month period, and has not been negotiated at arm's length. Further, if shares are issued pursuant to a private placement, shareholder approval is required if: (i) the price per share is less than the maximum discounts noted above; (ii) the Company is issuing more than 25% of its outstanding shares (on a non-diluted basis) pursuant to the private placement and the price per share is less than the market price of the shares; (iii) and/or if during any six month period the number of shares issued to insiders exceeds 10% of the outstanding shares prior to the date of closing of the first private placement to an insider during the six month period.

With respect to acquisitions, shareholder approval is required if: (i) the number of shares issued or issuable to insiders as a group, together with any shares issued or made issuable to insiders as a group for acquisitions during the preceding six months, in payment of the purchase price for an acquisition exceeds 10% of the number of shares of the Company which are outstanding on a non-diluted basis, prior to the date of closing of the transaction; and/or (ii) the number of shares issued or issuable in payment of the purchase price for an acquisition exceeds 25% of the number of shares of the Company which are outstanding, on a non-diluted basis.

15. Settlement, Dealings, CREST and Admission

The Common Shares are listed and traded on the TSX and NASDAQ. Application has been made to the London Stock Exchange for the Company's entire issued and to be issued share capital to be admitted to trading on AIM. It is expected that Admission will be effective and that dealings in the Common Shares through Depositary Interests on AIM will commence on 29 June 2018.

CREST is a computerised paperless share transfer and settlement system which allows securities to be transferred by electronic means, without the need for a written instrument of transfer. Securities issued by non-UK companies cannot be held or traded in the CREST system. To enable investors to settle such securities through the CREST system, a depositary or custodian can hold the relevant foreign securities and issues dematerialised depositary interests representing the underlying securities.

With effect from Admission, it will be possible for CREST members to hold and transfer interests in Common Shares of the Company within CREST pursuant to a depositary interest arrangement established by the Company with the Depositary. CREST is a voluntary system and holders of Common Shares who wish to remain outside CREST may do so.

The Depositary will issue Depositary Interests in respect of the underlying Common Shares pursuant to the terms of the Deed Poll. Under the terms of the Deed Poll, the Depositary will hold as bare trustee all of the rights pertaining to the relevant underlying securities for the benefit of, and on behalf of, the Depositary Interest holder. Any rights or entitlements to cash distributions, to information to make choices and elections, and to attend and vote at general meetings shall be passed to the Depositary Interest holder by the Depositary. Except as provided below, a Depositary Interest holder can cancel or transfer its Depositary Interests under the Deed Poll by giving instructions to the Depositary.

The Depositary Interests will be independent securities constituted under English law and will be held on a register maintained by the Depositary. Depositary Interests will have the same ISIN as the underlying Common Shares and do not require a separate admission to AIM.

Each Depositary Interest will be treated as one Common Share for the purposes of, for example, determining eligibility for dividend payments. Any payments received by the Depositary, as holder of the Common Shares, will be passed on to each Depositary Interest holder noted on the Depositary Interest register as the beneficial owner of the relevant Common Shares.

Application will be made by the Depositary for Depositary Interests, which represent the underlying Common Shares, to be admitted to CREST on Admission.

All Common Shares will remain listed on the TSX and NASDAQ. Shareholders wishing to migrate their holdings of Common Shares between the TSX and AIM and vice versa can do so by contacting their broker or the transfer agent and registrar for the Common Shares, being Computershare Trust Company of Canada as at the date of this document.

For so long as the Company is a reporting issuer in the Province of Alberta, the issuance of any future Common Shares by way of private placement (the "**Future Shares**") will be subject to the securities legislation of such province. Accordingly, certificates representing the Future Shares may include legends (or notices of such legends or restrictions) in accordance with applicable Canadian securities laws and regulatory policies and rules of the TSX which state that unless permitted under securities legislation, the holder of such securities shall not trade them until the date that is four months and one day after the date of distribution thereof. In addition, the Company will direct Computershare, in a future placing, to place a restriction on the Future Shares issued and traded outside of Canada, such that the Future Shares cannot be transferred through CREST to the Company's Canadian share register for a period of four months and one day from the date such placing is completed.

Notwithstanding the imposition of such legends and restrictions, such trading restrictions in relation to the Future Shares will not restrict the settlement of trades in the form of Depositary Interests through CREST provided that certain conditions are satisfied in order for the Company to rely upon exemptions from the prospectus and registration requirements under applicable Canadian securities laws.

16. Canadian Takeover Law and the City Code

The Company is not resident in the UK, Channel Islands or the Isle of Man and is therefore not subject to the City Code. However, Canadian laws applicable to the Company provide for early warning disclosure requirements and for takeover bid rules for bids made to security holders in various jurisdictions in Canada, a summary of which is set out below.

In Canada, takeover bids are governed by applicable corporate and securities legislation in each province or territory in addition to policy and instruments implemented by Canadian Securities Administrators, which is an umbrella organisation of Canada's provincial and territorial securities regulators. Under Canadian securities laws, when any person (an "**offeror**") acquires, except pursuant to a formal take-over bid, beneficial ownership of, or the power to exercise control or direction over, or securities convertible into, voting or equity securities of any class of a reporting issuer that, together with such offeror's securities of that class, would constitute 20% or more of the outstanding securities of that class, the offeror must immediately issue and file a press release announcing the acquisition and file a report, in a prescribed form, of such acquisition with the applicable securities regulatory authorities within two business days of the acquisition.

Once an offeror has filed such a report, the offeror is required to issue further press releases and file further reports (again, within two business days of a transaction) each time that the offeror, or any person acting jointly or in concert with the offeror, acquires beneficial ownership of, or the power to exercise control or direction over, or securities convertible into, an increase or decrease of 2% or more of the outstanding securities of the applicable class, decreases to less than 10% or if there is a change in any other material fact, such as the consideration paid or the purpose of the transaction, set out in previous reports. A determination of whether any parties are acting jointly or in concert is a question of fact that is deemed to exist in certain circumstances such as when one party is dealing with an affiliate, or the existence of an agreement, commitment or understanding with the other party. Certain institutional investors, such as investment managers acting on behalf of investors on a fully discretionary basis, financial institutions, pension funds and private mutual funds, may elect an alternative monthly reporting system whereby they report changes, on a monthly as opposed to a two business day basis, of at least 2.5% from the last reported position or that the position has decreased below 10%.

In all Canadian jurisdictions, a take-over bid is generally defined as an offer to acquire outstanding voting or equity securities of a class made to any holder in the jurisdiction of securities subject to the offer to acquire, if the securities subject to the offer to acquire, together with securities held by the offeror and any person acting jointly or in concert with the offeror, constitute in aggregate 20% or more of the outstanding securities of that class of securities at the date of the offer to acquire, but does not include an offer to acquire if the offer to acquire is a step in an amalgamation, merger, reorganisation or arrangement that requires the approval in a vote of shareholders. Subject to limited exemptions, a take-over bid must generally be made to all holders of securities of the class that is subject to the bid who are in the jurisdiction and must allow such security holders 105 days to accept the bid unless otherwise agreed to by the board of the target company that a shorter timeframe shall apply (not to be less than 35 days). Unless exemptions are available, the offeror must deliver to the security holders a takeover bid circular which describes the terms of the take-over bid and the directors of the reporting issuer must deliver a directors' circular not later than 15 days after the date of the bid, either making or declining to make a recommendation to security holders to accept or reject the bid and the reasons for their making or not making a recommendation

Whilst provincial securities laws in Canada only regulate offers to residents of the particular province, the Canadian Securities Administrators have adopted a policy whereby they may issue a cease trade order prohibiting the trading of the securities of a company if a takeover bid is not made to all Canadian security holders. It should be noted that one exemption from the aforementioned provisions is in the case of a foreign take-over bid. Such an exemption from the takeover bid regime may be available where, among other criteria:

- (a) security holders whose last address as shown on the books of the offeree issuer is in Canada hold less than 10% of the outstanding securities of the class subject to the bid at the commencement of the bid;
- (b) the offeror reasonably believes that security holders in Canada beneficially own less than 10% of the outstanding securities of the class subject to the bid at the commencement of the bid;
- (c) the published market on which the greatest volume of trading in securities of that class occurred during the 12 months immediately preceding the commencement of the bid was not in Canada;
- (d) security holders in the local jurisdiction are entitled to participate in the bid on terms at least as favourable as the terms that apply to the general body of security holders of the same class;
- (e) at the same time as material relating to the bid is sent by or on behalf of the offeror to security holders of the class that is subject to the bid, the material is filed and sent to security holders whose last address as shown on the books of the offeree issuer is in the local jurisdiction;
- (f) if the bid materials referred to in paragraph (e) are not in English, a brief summary of the key terms of the bid prepared in English, and in Québec in French or French and English, is filed and sent to security holders whose last address as shown on the books of the offeree issuer is in the local jurisdiction at the same time as the bid materials are filed and sent; and
- (g) if no material relating to the bid is sent by or on behalf of the offeror to security holders of the class that is subject to the bid but a notice or advertisement of the bid is published by or on behalf of the offeror in the jurisdiction where the offeree issuer is incorporated or organized, an advertisement of the bid specifying where and how security holders may obtain a copy of, or access to, the bid documents is filed and published in English, and in Québec in French or French and English, in at least one major daily newspaper of general and regular paid circulation in the local jurisdiction.

17. Rule 17 of the AIM Rules

Due to the Company existing under the laws of the Province of Alberta, Canada, Shareholders will not be subject to any UK requirement to disclose to the Company their holdings of Common Shares. Under the *ABCA*, there are no statutory obligations on shareholders (other than insider and early warning reporting obligations) to disclose to the Company the level of their interests in Common Shares. However, early warning reporting obligations require any Shareholder to make certain disclosures when it acquires ownership or control or direction over voting or equity securities, or any other securities convertible into voting or equity securities, of any class of a public company that constitutes 10% or more of the outstanding securities of that class and acquisitions or dispositions of every 2% thereafter. Further, shareholders that acquire ownership or control or direction over voting or equity securities, or any other securities convertible into voting or equity securities, of any class of a public company that constitutes 10% or more of the outstanding securities of that class are required to file insider reports on SEDI and are required to report any changes to their holdings within five days of a change.

When acquiring shares in the Company, shareholders are entitled under Canadian securities laws to categorise themselves as “objecting” (“**OBO**”) or “non-objecting” (“**NOBO**”) shareholders. By registering as such through the entity through which they acquired their shares, such as a broker, bank, or trust company, OBOs are noting that they object to their interest and their details being disclosed to the Company, subject to the 10% threshold at which Canadian securities law makes disclosure mandatory. NOBOs do not object to their shareholdings and their details being disclosed to the Company. Rule 17 of the AIM Rules requires, among other things, that an AIM quoted company must notify the market of any changes of which it is aware to its shareholders’ interests in 3% or more of the common shares and changes thereto (of any movements through a percentage point upwards or downwards).

At the annual general and special meeting of shareholders of the Company held on 10 May 2018, the Shareholders approved an amendment to the By-Laws to provide that for so long as the Company has any shares admitted to trading on AIM, all Shareholders in the Company having a holding in 3% or more of the Company's shares, will be required, with effect from Admission, to notify the Company of their holding and of any subsequent relevant changes to their holdings which changes shall include any increase or decrease to such holdings through any single percentage threshold. Notwithstanding the fact the By-Laws regulate the internal affairs of the Company and are binding on the Company and its shareholders (among others), they do not provide the Company with an effective remedy or recourse in the event shareholders do not comply with the amended notice and disclosure obligations under the By-Laws (as amended). As such, the Company will not necessarily be aware of holdings (or changes in holdings) that are required to be disclosed under the By-Laws to the extent shareholders do not comply with such obligations. Accordingly, the Company may not have the information necessary to enable it to announce these shareholdings in accordance with the requirements of rule 17 of the AIM Rules in such cases.

18. Dividend Policy

Details of the dividends paid on the Company's Common Shares during the year ended 31 December 2015 have been included in the Annual Information Form, filed by the Company on 7 March 2018 and available on SEDAR at www.sedar.com. On 8 March 2016, the Company suspended its quarterly dividend payment, and no dividends were paid on the Company's Common Shares during the years ended 31 December 2016 and 31 December 2017.

The board of directors of the Company will determine the timing, payment and amount of dividends, if any, that may be paid by the Company from time to time based upon, among other things, cash flow, results of operations and financial condition of the Company, the need for funds to finance ongoing operations, restrictions that may be imposed under the credit facilities or other lending arrangements entered into by the Company from time to time and other business considerations as the board of directors of the Company considers relevant, including the ability of the Company to pay dividends upon the satisfaction of the liquidity and insolvency tests imposed by the *ABCA* for the declaration and payments of dividends. Depending on these and various other factors, many of which are beyond the control of the Company, the dividend policy of the Company may change from time to time.

19. Taxation

Information regarding taxation in the United Kingdom and Canada is set out in paragraph 8 and 9 of Part III of this document. These details are intended as a general guide only to the current tax position in the United Kingdom and in Canada regarding withholding taxes and are not intended to constitute personal tax advice for any person. Prospective investors are strongly advised to consult their own independent professional tax advisers regarding the tax consequences of purchasing and owning Common Shares.

20. Options, RSUs, PSUs and DSUs

The Company maintains a Stock Option Plan for the directors, officers, consultants and employees of the Company and its subsidiary companies. The maximum number of Common Shares that may be issued pursuant to the exercise of Options awarded under the Stock Option Plan and all other security based compensation arrangements of the Company is 10% of the Common Shares outstanding from time to time

The Company also maintains the RSU Plan, the PSU Plan and the DSU Plan, pursuant to which it may grant incentives based on the market value of the Common Shares to its employees, officers and directors. Such incentives are designed to comprise payments in cash to the participants, but not to involve issue of Common Shares.

Further details on the Options, RSUs, PSUs and DSUs, are set out in the Company's Management Information Circular available in the Public Record (<https://www.sedar.com>).

21. Risk Factors and Additional Information

Your attention is also drawn to further information about Company set out elsewhere in this document, including:

- Part II of this document, relating to risk factors; and
- Part III of this document, summarising certain additional information on the Company.

PART II RISK FACTORS

An investment in the Company may not be suitable for all recipients of this document and involves a high degree of risk. Before making an investment decision, prospective investors are advised to consult a professional adviser authorised under FSMA who specialises in advising on investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

The exploration for and development of natural resources is a highly speculative activity which involves a high degree of risk. Accordingly, the Common Shares should be regarded as a highly speculative investment and an investment in the Company should only be made by those with the necessary expertise to evaluate the investment fully.

The Group's business, financial condition or results of operations could be materially and adversely affected by any of the risks described below. In such cases, the market price of the Common Shares may decline and investors may lose all or part of their investment.

In addition to the other relevant information set out in this document, the Directors consider that the following risk factors, which are not set out in any particular order of priority, magnitude or probability, are of particular relevance to the Group's activities and to any investment in the Company. It should be noted that additional risks and uncertainties not presently known to the Directors or which they currently believe to be immaterial may also have an adverse effect on the Group's operating results, financial condition and prospects. Any one or more of these risk factors could have a materially adverse impact on the value of the Group and should be taken into consideration when assessing the Company and whether to acquire any Common Shares.

There can be no certainty that the Group will be able to implement successfully the strategy set out in this document. No representation is or can be made as to the future performance of the Group and there can be no assurance that the Group will achieve its objectives.

RISKS RELATING TO THE GROUP & ITS BUSINESS

Prices and Markets

Prices for oil and natural gas are subject to large fluctuations in response to changes in the supply of and demand for oil and natural gas, market uncertainty and a variety of additional factors beyond the control of the Group. These factors include economic and political conditions in the United States, Canada, Europe, China and emerging markets, the actions of OPEC and other oil and gas exporting nations, governmental regulation, political stability in the Middle East, Northern Africa and elsewhere, the foreign supply and demand of oil and natural gas, risks of supply disruption, the price of foreign imports and the availability of alternative fuel sources. Prices for oil and natural gas are also subject to the availability of foreign markets and the Group's ability to access such markets. A material decline in prices could result in a reduction of the Group's net production revenue. The economics of producing from some wells may change because of lower prices, which could result in reduced production of oil or natural gas and a reduction in the volumes and the value of the Group's reserves. The Group might also elect not to produce from certain wells at lower prices.

All these factors could result in a material decrease in the Group's expected net production revenue and a reduction in its oil and natural gas production, development and exploration activities. Any substantial and extended decline in the price of oil and natural gas would have an adverse effect on the Group's carrying value of its reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Oil and natural gas prices are expected to remain volatile for the near future because of market uncertainties over the supply and the demand of these commodities due to the current state of the world economies, increased growth of shale oil production in the United States, OPEC actions, political uncertainties, sanctions imposed on certain oil producing nations by other countries and ongoing credit and liquidity concerns. Volatile oil and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for oil and natural gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for, and project the return on, acquisitions and development and exploitation projects.

Risks Relating to Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and natural gas liquids reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth in this document are estimates only. Generally, estimates of economically recoverable oil and natural gas reserves and the future net cash flows from such estimated reserves are based upon a number of variable factors and assumptions, such as:

- historical production from the properties;
- production rates;
- ultimate reserve recovery;
- timing and amount of capital expenditures;
- marketability of oil and natural gas;
- royalty rates; and
- the assumed effects of regulation by governmental agencies and future operating costs (all of which may vary materially from actual results).

For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different evaluators, or by the same evaluators at different times may vary. The Group's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates and such variations could be material.

The estimation of proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas were estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves. Such variations could be material.

In accordance with applicable securities laws, GLJ has used forecast prices and costs in estimating the reserves and future net cash flows set forth in the CPR. Actual future net cash flows will be affected by other factors, such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

Actual production and cash flows derived from the Group's oil and natural gas reserves will vary from the estimates contained in the reserve evaluations, and such variations could be material. The reserve evaluations are based in part on the assumed success of activities the Group intends to undertake in future years. The reserves and estimated cash flows to be derived therefrom and contained in the reserve evaluations will be reduced to the extent that such activities do not achieve the level of success assumed in the reserve evaluations.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long term commercial success of the Group depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, the reserves from the Group's assets, and the production from them, will decline over time as the Group produces from such reserves. The Group's participation in the West Gharib, West Bakr, North West Gharib, South Ghazalat, South Alamein and North West Sitra production sharing contracts in Egypt represent major undertakings. The exploration programs in Egypt are high-risk ventures with uncertain prospects for ongoing success. A future increase in the reserves attributable to the Group's assets will depend on both the ability of the Group to explore and develop the Group's assets and its ability to select and acquire suitable producing properties or prospects. There is no assurance that the Group will be able to find satisfactory properties to acquire or participate in. Moreover, management of the Group may determine that current markets, terms of acquisition, participation or pricing conditions make potential acquisitions or participations uneconomic. There is also no assurance that the Group will discover or acquire further commercial quantities of oil and natural gas.

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment (typically leased from third parties) as well as skilled personnel trained to use such equipment in the areas where such activities will be conducted. Demand for such limited equipment and skilled personnel, or access restrictions, may affect the availability of such equipment and skilled personnel to the Company and may delay exploration and development activities.

Demand for Petroleum Products

Full conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas and technological advances in fuel economy and renewable energy generation devices could reduce the demand for oil, natural gas and liquid hydrocarbons. Recently, certain jurisdictions have implemented policies or incentives to decrease the use of fossil fuels and encourage the use of renewable fuel alternatives, which may lessen the demand for petroleum products and put downward pressure on commodity prices. In addition, advancements in energy efficient products have a similar effect on the demand for oil and gas products. The Group cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Group's business, financial condition, results of operations and cash flows by decreasing the Group's profitability, increasing its costs, limiting its access to capital and decreasing the value of its assets.

Substantial Funding Requirements

The Group anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. The Group's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, the Group may require additional financing in order to carry out its oil and natural gas acquisition, exploration and development activities. The Group's ability to externally finance its capital requirements is dependent on, among other factors:

- the overall state of the capital markets;
- the Company's credit rating (if applicable);
- commodity prices;
- interest rates;
- royalty rates;
- tax burden due to current and future tax laws; and
- investor appetite for investments in the energy industry and the Company's securities in particular.

Failure to obtain financing on a timely basis could cause the Group to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. To the extent that external sources of capital become limited, unavailable or available on onerous terms, the Group's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be affected materially and adversely as a result. Alternatively, any available financing may be highly dilutive to existing shareholders. Failure to obtain any financing necessary for the Group's capital expenditure plans may result in a delay in development or production on the Group's properties.

Investor Sentiment

A number of factors, including concerns about the effects of the use of fossil fuels on climate change, concerns about the impact of oil and gas operations on the environment, concerns about environmental damage relating to spills of petroleum products during transportation and concerns about indigenous rights, have affected certain investors' sentiments towards investing in the oil and gas industry. As a result of these concerns, some institutional, retail and public investors have announced that they are no longer willing to fund or invest in oil and gas properties or companies or are reducing the amount thereof over time. In addition, certain institutional investors are requesting that issuers develop and implement more robust social, environmental and governance policies and practices. Developing and implementing such policies and practices can involve significant costs and require a significant time commitment from the Board and management and employees of the Group. Failing to implement the policies and practices as requested by institutional investors may result in such investors reducing their investment in the Group or not investing in the Group at all. Any reduction in the investor base interested or willing to invest in the oil and gas industry and more specifically, the Group, may result in limiting the Group's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the common shares.

Reputational Risk

Any environmental damage, loss of life, injury or damage to property caused by the Group's operations could damage the Group's reputation in the areas in which the Group operates. Negative sentiment towards the Group could result in a lack of willingness of municipal authorities to grant the necessary licenses or permits for the Group to operate its business and in residents in the areas where the Group is doing business opposing further operations in the area by the Group. If the Group develops a reputation of having an unsafe work site it may impact the ability of the Group to attract and retain the necessary skilled employees and consultants to operate its business. Further, the Group's reputation could be affected by actions and activities of other corporations operating in the oil and gas industry, over which the Group has no control. In addition, environmental damage, loss of life, injury or damage to property caused by the Group's operations could result in negative investor sentiment towards the Group, which may result in limiting the Group's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the common shares.

Hedging Risks

From time to time, the Company may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline. However, to the extent that the Company engages in price risk management activities to protect itself from commodity price declines, it may also be prevented from realising the full benefits of price increases above the levels of the derivative instruments used to manage price risk. In addition, the Company's hedging arrangements may expose it to the risk of financial loss in certain circumstances, including instances in which:

- production falls short of the hedged volumes or prices fall significantly lower than projected;
- the counterparties to the hedging arrangements or other price risk management contracts fail to perform under those arrangements; or
- a sudden unexpected event materially impacts oil and natural gas prices.

Similarly, from time to time the Group may enter into agreements to fix the exchange rate of C\$ to US\$ or other currencies in order to offset the risk of revenue losses if the C\$ increases in value compared to other currencies. However, if the C\$ declines in value compared to such fixed currencies, the Group will not benefit from the fluctuating exchange rate.

Variations in Foreign Exchange Rates and Interest Rates

World oil and natural gas prices are quoted in US\$. The Group's exposure to currency exchange rate risks is primarily limited to Canadian general and administrative expenses which are paid for in C\$, and Egyptian pound cash balances. A low value of the Canadian dollar relative to the United States dollar and Egyptian pound may positively affect the price the Group receives for its oil and natural gas production, it could also result in an increase in the price for certain goods used for the Group's operations, which may have a negative impact on the Group's financial results. The Company prepares its financial statements in US\$ and, as a result, the Company's statement of comprehensive income, statement of cash flows and statement of financial position are impacted by changes in exchange rates between C\$, Egyptian pounds and US\$.

To the extent that the Group engages in risk management activities related to foreign exchange rates, there is a credit risk associated with counterparties with which the Group may contract.

An increase in interest rates could result in a significant increase in the amount the Group pays to service debt, resulting in a reduced amount available to fund its exploration and development activities, and if applicable, the cash available for dividends and could negatively impact the market price of the Common Shares.

Credit Risk

Third Party Credit Risk

The Group may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In addition, the Group may be exposed to third party credit risk from operators of properties in which the Group has a working or royalty interest. In the event such entities fail to meet their contractual obligations to the Group, such failures may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry and of joint venture partners may affect a joint venture partner's willingness to participate in the Group's ongoing capital program, potentially delaying the program and the results of such program until the Group finds a suitable alternative partner. To the extent that any of such third parties go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in the Group being unable to collect all or portion of any money owing from such parties. Any of these factors could materially adversely affect the Group's financial and operational results.

Egypt Government Credit Risk

The Group is and may in the future be exposed to third party credit risk through its contractual arrangements with the Government of Egypt. Significant changes in the crude oil industry, including fluctuations in the commodity prices and economic conditions, environmental regulations, government policy, royalty rates and other geopolitical factors, could adversely affect the Groups ability to realize the full value of its accounts receivable from the Government of Egypt. Historically, the Group has had a significant account receivables outstanding from the Government of Egypt. While the Government of Egypt has made regular payments on these amounts owing, the timing of these payments has historically been longer than normal industry standard. The receivable balance due from the Egyptian Government was reduced to a manageable level in 2015 as a result of the Group's direct marketing initiative and continued payments from the Egyptian Government. However, there remains a balance due from the Egyptian Government, and there can be no assurance that future payments will occur on a more timely basis or occur at all. In the event the Government of Egypt fails to meet its obligation, such failures could materially adversely affect the Group's financial and operational results.

Cash Transfer Restrictions

The Company currently conducts the majority of its operations through its foreign subsidiaries and foreign branches. Therefore, the Company could be dependent on the cash flows of these subsidiaries to meet its obligations. The ability of its subsidiaries to make payments to the Company may be constrained by, among other things: the level of taxation, particularly corporate profits and withholding taxes, in the jurisdictions in which it operates; the introduction of exchange controls or repatriation restrictions or the availability of hard currency to be repatriated; and contractual restrictions with third parties. For example, certain governments have imposed a number of monetary and currency exchange control measures that include restrictions on the free disposition of funds deposited with banks and tight restrictions on transferring funds abroad, with certain exceptions for transfers related to foreign trade and other authorised transactions approved by a country's central bank. These central banks may require prior authorisation and may or may not grant such authorisation for the Group's foreign subsidiaries to transfer funds to it and there may be a tax imposed with respect to the expatriation of the proceeds from the Group's foreign subsidiaries.

Insurance

The Group's involvement in the exploration for and development of oil and natural gas properties may result in the Group becoming subject to liability for pollution, blow outs, leaks of sour natural gas, property damage, personal injury or other hazards. Although the Group maintains insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liabilities. In addition, certain risks are not, in all circumstances, insurable or, in certain circumstances, the Group may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of any uninsured liabilities would reduce the funds available to the Group. The occurrence of a significant event that the Group is not fully insured against, or the insolvency of the insurer of such event, may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Income Taxes

As the Company is engaged in the Canadian petroleum industry, its operations are subject to certain unique provisions of the *Canadian Tax Act* and applicable provincial income tax legislation relating to characterisation of costs incurred in its business which effects whether such costs are deductible and, if deductible, the rate at which they may be deducted for the purposes of calculating taxable income. The Company files all required income tax returns and believes that it is in full compliance with the provisions of the Canadian Tax Act and all other applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Company, whether by re-characterisation of exploration and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

Income tax laws relating to the oil and natural gas industry, such as the treatment of resource taxation or dividends, may in the future be changed or interpreted in a manner that adversely affects the Company. Furthermore, tax authorities having jurisdiction over the Company may disagree with how the Company calculates its income for tax purposes or could change administrative practices to the Company's detriment.

Royalty Regimes

There can be no assurance that the governments in the jurisdictions in which the Group has assets will not adopt new royalty regimes or modify the existing royalty regimes which may have an impact on the economics of the Group's projects. An increase in royalties would reduce the Group's earnings and could make future capital investments, or the Group's operations, less economic. For instance, on January 29, 2016, the Government of Alberta adopted a new royalty regime which took effect on January 1, 2017. The new regime was a positive for future investment and provides for a low crown royalty rate (5%) to be applied to horizontal wells until well production has paid out the capital cost of drilling the well.

Reliance on Key Personnel

The Group's success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The Group does not have any key personnel insurance in effect for the Group. The contributions of the existing management team to the immediate and near term operations of the Group are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry can be intense and there can be no assurance that the Group will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Group.

Management of Growth

The Group considers acquisitions of businesses and assets in the ordinary course of business, including acquisitions in new geographical areas. Achieving the benefits of acquisitions depends on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner and the Group's ability to realise the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Group. The integration of acquired businesses may require substantial management effort, time and resources diverting management's focus from other strategic opportunities and operational matters.

As a result, the Group may be subject to growth related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Group to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Group to deal with this growth may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain directors or officers of the Company may also be directors or officers of other oil and natural gas companies and as such may, in certain circumstances, have a conflict of interest. Conflicts of interest, if any, will be subject to and governed by procedures prescribed by the *ABCA* which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Company to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the *ABCA*.

Forward-looking Information

Shareholders and prospective investors are cautioned not to place undue reliance on the Group's forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Internal Controls

Effective internal controls are necessary for the Group to provide reliable financial reports and to help prevent fraud. Although the Group will undertake a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, US securities laws and under the AIM Rules, the Group cannot be certain that such measures will ensure that the Group will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Group's results of operations or cause it to fail to meet its reporting obligations. If the Group or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Group's financial statements and harm the trading price of the Common Shares.

Information Technology Systems and Cybersecurity

The Group has become increasingly dependent upon the availability, capacity, reliability and security of its information technology infrastructure and its ability to expand and continually update this infrastructure, to conduct daily operations. The Group depends on various information technology systems to estimate reserve quantities, process and record financial data, manage its land base, manage financial resources, analyse seismic information, administer its contracts with its operators and lessees and communicate with employees and third-party partners.

Further, the Group is subject to a variety of information technology and system risks as a part of its normal course operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of the Group's information technology systems by third parties or insiders. Unauthorised access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to its business activities or its competitive position. In addition, cyber phishing attempts, in which a malicious party attempts to obtain sensitive information such as usernames, passwords, and credit card details (and money) by disguising as a trustworthy entity in an electronic communication, have become more widespread and sophisticated in recent years. If the Group becomes a victim to a cyber phishing attack it could result in a loss or theft of the Group's financial resources or critical data and information or could result in a loss of control of the Group's technological infrastructure or financial resources. The Group applies technical and process controls in line with industry-accepted standards to protect its information assets and systems; however, these controls may not adequately prevent cyber-security breaches. Disruption of critical information technology services, or breaches of information security, could have a negative effect on the Group's performance and earnings, as well as on its reputation. The significance of any such event is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on the Group's business, financial condition and results of operations.

Litigation

In the normal course of the Group's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, land rights, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Group and as a result, could have a material adverse effect on the Group's assets, liabilities, business, financial condition and results of operations. Even if the Group prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from business operations, which could have an adverse effect on the Group's financial condition.

Actions or Enforcement Judgements

The Company is continued under the laws of the Province of Alberta, Canada, and the majority (eight out of nine) of the Company's directors and officers are residents of Canada. Consequently, it may be difficult for investors from outside of Canada, to effect service of process upon the Company or upon those directors or officers, or to realise judgments of non-Canadian courts. Furthermore, it may be difficult for non-Canadian investors to enforce judgments of non-Canadian courts based on civil liability provisions of the non-Canadian securities laws in a Canadian court against the Company or any of the Company's executive officers or directors. There is substantial doubt whether an original lawsuit could be brought successfully in Canada against any of such persons or the Company predicated solely upon such non-Canadian civil liabilities.

Competition

The petroleum industry is competitive in all of its phases. The Group competes with numerous other entities in the exploration, development, production and marketing of oil and natural gas. The Group's competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those of the Group. Some of these companies not only explore for, develop and produce oil and natural gas, but also carry on refining operations and market oil and natural gas on an international basis. As a result of these complementary activities, some of these competitors may have greater and more diverse competitive resources to draw on than the Group and a lower cost of capital. The Group's ability to increase its reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price, process, and reliability of delivery and storage.

RISKS RELATING TO THE INDUSTRY AND COUNTRIES IN WHICH THE GROUP OPERATES

Egypt Political Risks

Beyond the risks inherent in the petroleum industry, the Group is subject to additional political risks resulting from doing business in Egypt. Since 2011, there has been significant civil unrest and widespread protests and demonstrations throughout the Middle East, including Egypt. Abdel Fattah el-Sisi was elected in 2014 President in Egypt following several years of widespread protests, demonstrations and civil unrest. Since this time, political and economic stability has returned to the country leading to a positive impact in business confidence. As a result of this political and economic stability, on 11 November 2016, the International Monetary Fund ("**IMF**") approved a three-year, US\$12 billion extended arrangement under the Extended Fund Facility with Egypt to support the Egyptian authorities' proposed economic reform.

To date, Egypt has received approximately US\$6 billion in funds from the IMF, with the most recent disbursement occurring in December 2017. The IMF noted that the Egyptian government continued to meet nearly all of its commitments under the program, and that the Egyptian economy was showing encouraging signs of recovery following initial stabilisation. Although inflation remains high in Egypt, certain economic reform policies have led to Egypt's CPI inflation falling to approximately 21.9% at the end of 2017. However, the IMF has cautioned Egypt not to jeopardise the fight against inflation by easing any economic reforms prematurely. Inflation in Egypt remains highly volatile leading to significant economic impacts over which the Group does not have control, including but not limited to, living costs, operational costs, transportation costs, employment levels, borrowing/lending rates and currency valuation. The Group cannot predict the impact of inflation on oil and natural gas products, and any major changes may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows by decreasing the Group's profitability, increasing its costs, limiting its access to capital and decreasing the value of its assets.

Foreign Jurisdiction Risk

The majority of the Group's current production is located in Egypt. As such, and in addition to the specific political risks mentioned above, the Group is subject to political, economic, and other uncertainties, including, but not limited to, expropriation of property without fair compensation, changes in energy policies or the personnel administering them, a change in oil or natural gas pricing policy, the actions of national labour unions, nationalisation, currency fluctuations and devaluations, renegotiation or nullification of existing concessions and contracts, exchange controls and royalty and tax increases and retroactive tax claims, investment restrictions, import and export regulations and other risks arising out of foreign governmental sovereignty over the areas in which the Group's operations are conducted, as well as risks of loss due to civil strife, acts of war, terrorist activities and insurrections, economic sanctions, the imposition of specific drilling obligations and the development and abandonment of fields.

The Egyptian government could adopt new policies that might result in substantially hostile attitudes towards foreign investments such as the Group's. In an extreme case, government actions could result in forced renegotiation of the Group's existing contracts, termination of contract rights and expropriation of its assets (including crude oil inventory) or resource nationalisation. Loss of property (damage to, or destruction of, the Group's wells, production facilities or other operating assets) and/or interruption of its business plans (including lack of availability of drilling rigs, oilfield equipment or services if third party providers decide to exit the region or inability of the Group's service equipment providers to deliver necessary items for the Group to continue operations) as a direct or indirect result of political protests, demonstrations or civil unrest in Egypt could have a material adverse impact on the Group's results of operations and financial condition. In addition, the Group cannot provide assurance that future political developments in Egypt, including changes in government, changes in laws or regulations, export restrictions or further civil unrest or other disturbances, would not have an adverse impact on ongoing operations, the Group's ability to comply with its current contractual obligations, the Group's ability to lift and sell its crude oil inventory to third parties, or on the terms or enforceability of its production sharing and concession agreements or other contracts with governmental entities.

The Group's operations may also be adversely affected by laws and policies of Canada and Egypt affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with the Group's operations in Egypt, the Group may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons, especially foreign oil ministries and national oil companies, to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Group may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Group's exploration, development and production activities in Egypt could be substantially affected by factors beyond the Group's control, any of which could have a material adverse effect on the Group.

If the Group's operations are disrupted and/or the economic integrity of its projects are threatened for unexpected reasons, its business may be harmed. These unexpected events may be due to technical difficulties, operational difficulties which impact the production, transport or sale of the Group's products, security risks related to terrorist activities and insurrections, difficult geographic and weather conditions, unforeseen business reasons or otherwise. Prolonged problems may threaten the commercial viability of its operations.

Global Political Uncertainty

In the last several years, the United States and certain European countries have experienced significant political events that have cast uncertainty on global financial and economic markets. During the 2016 presidential campaign a number of election promises were made and the new American administration has begun taking steps to implement certain of these promises. Included in the actions that the administration has discussed are the renegotiation of the terms of the North American Free Trade Agreement, withdrawal of the United States from the Trans-Pacific Partnership, imposition of a tax on the importation of goods into the United States, reduction of regulation and taxation in the United States, and introduction of laws to reduce immigration and restrict access into the United States for citizens of certain countries. It is presently unclear exactly what actions the new administration in the United States will implement, and if implemented, how these actions may impact Canada and in particular the oil and gas industry. Any actions taken by the new United States administration may have a negative impact on the Canadian economy and on the businesses, financial conditions, results of operations and the valuation of Canadian oil and gas companies, including the Group.

In addition to the political disruption in the United States, the citizens of the United Kingdom recently voted to withdraw from the European Union and the Government of the United Kingdom has begun taken steps to implement such withdrawal. Some European countries have also experienced the rise of anti-establishment political parties and public protests held against open-door immigration policies, trade and globalisation. To the extent that certain political actions taken in North America, Europe and elsewhere in the world result in a marked decrease in free trade, access to personnel and freedom of movement it could have an adverse effect on the Group's ability to market its products internationally, increase costs for goods and services required for the Group's operations, reduce access to skilled labour and negatively impact the Group's business, operations, financial conditions and the market value of its Common Shares.

Input Costs for Materials and Services

Historically, the Group's capital and operating costs have risen during periods of increasing commodity prices. These cost increases result from a variety of factors beyond the Company's control. Increased levels of drilling activity in the petroleum industry in recent periods has led to increased costs of certain drilling equipment, materials and supplies. Such costs may rise faster than increases in the Company's revenue, thereby negatively affecting its profitability, cash flow and ability to complete development activities as scheduled and on budget.

Future oil and natural gas exploration may involve unprofitable efforts from dry wells as well as from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, completing (including hydraulic fracturing), operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs.

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations and adversely affect the production from successful wells. Field operating conditions include, but are not limited to, delays in obtaining governmental approvals or consents, and shut ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximising production rates over time, it is not possible to eliminate production delays and declines from normal field operating conditions, which can negatively affect revenue and cash flow levels to varying degrees.

Operating Risks

The Group delivers crude oil through gathering, processing pipeline systems and export cargo terminals that the Group does not own or control. The amount of crude oil that the Group can produce and sell is subject to the accessibility, availability, proximity and capacity of these gathering and processing pipeline systems and scheduling of export cargos (in Egypt). The lack of availability of capacity in any of the gathering, processing pipeline systems and export cargo terminals, and in particular the export cargo terminals in Egypt, could result in the Group's inability to realise the full economic potential of its production, sales or in a reduction of the price offered for the Group's production.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including, but not limited to, fire, explosion, blowouts, cratering, sour gas releases, spills and other environmental hazards. These typical risks and hazards could result in substantial damage to oil and natural gas wells, production facilities, other property, the environment and personal injury. If any of these types of events were to occur, they could result in failure to discover hydrocarbons and if discovered delay in or loss of production, environmental damage, injury to persons or loss of life. They could also result in significant delays to drilling programmes, a partial or total shutdown of operations, significant damage to equipment owned or used by the Group and personal injury, wrongful death or other claims related to loss being brought against the Group. These events could result in the Group being required to take corrective measures, incurring significant civil liability claims, significant fines or penalties as well as criminal sanctions potentially being enforced against the Group and/or its officers. The Group may also be required to curtail or cease operations on the occurrence of such events. Any of the above could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

Whilst the Group intends to implement certain policies and procedures to identify and mitigate such hazards, develop appropriate work plans and approvals for high-risk activities and prevent accidents from occurring, these procedures may not be sufficiently robust or appropriately followed by the Group's staff or third-party contractors to prevent accidents. Particularly, the Group may explore for and produce sour natural gas in certain areas. An unintentional leak of sour natural gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to the Group.

Oil and natural gas drilling and production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The oil and gas industry in Egypt is not as efficient or developed as the oil and gas industry in North America. As a result, the Group's exploration and development activities may take longer to complete and may be more expensive than similar operations in North America. The availability of technical expertise, specific equipment and supplies may be more limited than in North America. The Company expects that such factors will subject its operations to economic and operating risks that may not be experienced in North American operations.

Regulatory

In order to conduct oil and natural gas operations, the Group will require regulatory permits, licenses, registrations, approvals and authorisations from various governmental authorities at the municipal, provincial and federal level. There can be no assurance that the Group will be able to obtain all of the permits, licenses, registrations, approvals and authorisations that may be required to conduct operations that it may wish to undertake.

Various levels of governments impose extensive controls and regulations on oil and natural gas operations (including exploration, development, production, pricing, marketing and transportation). Governments may regulate or intervene with respect to exploration and production activities, prices, taxes, royalties and the exportation of oil and natural gas. Amendments to these controls and regulations may occur from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for crude oil and natural gas and increase the Group's costs, either of which may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The following are examples of some of these regulatory risks:

Hydraulic Fracturing

Hydraulic fracturing involves the injection of water, sand and small amounts of additives under pressure into rock formations to stimulate the production of oil and natural gas. Specifically, hydraulic fracturing enables the production of commercial quantities of oil and natural gas from reservoirs that were previously unproductive. Any new laws, regulations or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating costs, third party or governmental claims, and could increase the Group's costs of compliance and doing business as well as delay the development of oil and natural gas resources from shale formations, which are not commercial without the use of hydraulic fracturing. Restrictions on hydraulic fracturing could also reduce the amount of oil and natural gas that the Group is ultimately able to produce from its reserves.

Liability Management

The Province of Alberta has developed a liability management program designed to prevent taxpayers from incurring costs associated with suspension, abandonment, remediation and reclamation of wells, facilities and pipelines in the event that a licensee or permit holder is unable to satisfy its regulatory obligations. These programs involve an assessment of the ratio of a licensee's deemed assets to deemed liabilities. If a licensee's deemed liabilities exceed its deemed assets, a security deposit is generally required. Changes to the required ratio of the Group's deemed assets to deemed liabilities or other changes to the requirements of liability management programs may result in significant increases to the Group's compliance obligations. In addition, the liability management regime may prevent or interfere with the Group's ability to acquire or dispose of assets, as both the vendor and the purchaser of oil and gas assets must be in compliance with the liability management programs (both before and after the transfer of the assets) for the applicable regulatory agency to allow for the transfer of such assets. The recent Alberta Court of Queen's Bench decision, *Redwater Energy Company (Re)*, found an operational conflict between the Bankruptcy and Insolvency Act and the AER's abandonment and reclamation powers when the licensee is insolvent, which was affirmed by a majority of the Alberta Court of Appeal, and has been appealed by the AER to the Supreme Court of Canada for final determination. In response to the decision, the AER issued interim rules to administer the liability management program until the Government of Alberta can develop new regulatory measures to adequately address environmental liabilities. There remains a great deal of uncertainty as to what new regulatory measures will be developed by the provinces or in concert with the federal government, as the final ruling will become binding in all Canadian jurisdictions.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of applicable laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on the spill, release or emission of various substances produced in association with certain oil and gas industry operations. In addition, such legislation sets out the requirements with respect to oilfield waste handling and storage, habitat protection and the satisfactory operation, maintenance, abandonment and reclamation of well and facility sites.

Compliance with environmental legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Group to incur costs to remedy such discharge. Although the Company believes that it will be in material compliance with current applicable environmental legislation related to the Group's assets, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In Canada, environmental regulations are changing in various respects, including in respect of carbon pricing and climate change.

Carbon Pricing Risk

The majority of countries across the globe have agreed to reduce their carbon emissions in accordance with the Paris Agreement. In Canada, the federal and certain provincial governments have implemented legislation aimed at incentivising the use of alternative fuels and in turn reducing carbon emissions. The taxes placed on carbon emissions may have the effect of decreasing the demand for oil and natural gas products and at the same time, increasing the Group's operating expenses, each of which may have a material adverse effect on the Group's profitability and financial condition. Further, the imposition of carbon taxes puts the Group at a disadvantage with its counterparts who operate in jurisdictions where there are less costly carbon regulations.

Climate Change

The Group's exploration and production facilities and other operations and activities emit greenhouse gases which may require the Group to comply with greenhouse gas ("**GHG**") emissions legislation at the Canadian provincial or federal levels. Climate change policy in Canada is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. As a signatory to the United Nations Framework Convention on Climate Change and a signatory to the Paris Agreement, which was ratified in Canada on October 3, 2016, the Government of Canada pledged to cut its GHG emissions by 30 % from 2005 levels by 2030. One of the pertinent policies announced to date by the Government of Canada to reduce GHG emission is the planned implementation of a nation-wide price on carbon emissions. Provincially, the Government of Alberta has already implemented a carbon levy on almost all sources of GHG emissions, now at a rate of C\$30 per tonne. The direct or indirect costs of compliance with GHG-related regulations may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Some of the Group's significant facilities may ultimately be subject to future regional, provincial and/or federal climate change regulations to manage GHG emissions. Given the evolving nature of the debate related to climate change and the control of GHG and resulting requirements, it is expected that current and future climate change regulations will have the effect of increasing the Group's operating expenses and in the long-term reducing the demand for oil and gas production resulting in a decrease in the Group's profitability and a reduction in the value of its assets or asset write-offs.

Decommissioning Costs

In Canada, liabilities in respect of the decommissioning of its wells, fields and related infrastructure are derived from legislative and regulatory requirements concerning the decommissioning of wells and production facilities and require the Group to make provisions for and/or underwrite the liabilities relating to such decommissioning. It is difficult to accurately forecast the costs that the Company would incur in satisfying any decommissioning obligations. When such decommissioning liabilities crystallise, the Company would be liable either on its own or jointly and severally liable for them with any other former or current partners in the field. In the event that it is jointly and severally liable with other partners and such partners default on their obligations, the Company would remain liable and its decommissioning liabilities could be magnified significantly through such default. Any significant increase in the actual or estimated decommissioning costs that the Company incurs may adversely affect its financial condition.

In Egypt, under model concession agreements and the Fuel Material Law, liabilities in respect of decommissioning movable and immovable assets (other than wells) passes to the Egyptian Government through the transfer of ownership from the contractor to the government under the cost recovery process. While the current risk to the Company of becoming liable for decommissioning liabilities in Egypt is low, future changes to legislation could result in decommissioning liabilities in Egypt. Any increase in Egyptian decommissioning liabilities could adversely affect the Group's financial condition.

In relation to petroleum wells, the contractor is responsible for decommissioning non-producing wells under a decommissioning plan approved by EGPC. If EGPC agrees that a producing well is not economic, then the contractor will be responsible for decommissioning the well under an EGPC approved decommissioning plan. EGPC, at its own discretion, may not require a well to be decommissioned if it wants to preserve the ability to use the well for other purposes. As EGPC has discretion on decommissioning wells, there is a risk that the Company could incur well decommissioning costs. In accordance with the respective concession agreements, expenses approved by EGPC are recoverable through the cost recovery mechanism.

Title to Assets

Although title reviews may be conducted in Canada prior to the purchase of oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise. Due in part to the nature of property rights development historically in Canada as well as the common practice of splitting legal and beneficial title, public registries are not determinative of actual rights held by parties. Further, the fragmented nature of oil and gas rights, which may be held by the government or private individuals and companies, and may be split among a great number of different granting documents, means that despite best efforts of parties, latent defects may not be immediately discoverable. As such, the actual interest of the Group in properties may accordingly vary from the Group's records. If a title defect does exist, it is possible that the Group may lose all or a portion of the properties to which the title defect relates, which may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. There may be valid challenges to title or legislative changes, which affect the Group's title to the oil and natural gas properties the Group controls in Canada that could impair the Group's activities on them and result in a reduction of the revenue received by the Group.

Relinquishment Obligations

The Group is subject to relinquishment obligations under its title documents which oblige the Group to relinquish certain proportions of its concession lease and licence areas and thereby reduce the Group's acreage. Additionally, the Group may be unable to drill all of its prospects or satisfy its minimum work commitments prior to relinquishment and may be unable to meet its obligations under the title documents. Failure to meet such obligations could result in concessions, leases and licences being suspended, revoked or terminated which could have a material adverse effect on the Group's business.

The expiry date for the South Alamein concession is June 2018. The Company has requested an extension to the concession which, based on the most recent discussions with EGPC, the Company anticipates receiving prior to the expiry date. If the extension is not received by the expiry date, then the South Alamein concession will terminate thereby reducing the Group's acreage, exploration prospects in Egypt and 2018 exploration programme by US\$2.8 million.

Risk to title due to assignment restrictions

The Group acquired its interest in the South Alamein Concession by acquiring the shares of the contractors under the concession in 2012. It did so with EGPC's knowledge but did not obtain formal EGPC approval for the transfer of any such shares.

Recent models of the Egyptian concession agreement in Egypt (including the South Alamein concession) include restrictive wording that require the government's consent for any direct or "indirect" assignment of rights under the concession, which could be interpreted to include acquiring the voting or equity shares of the contractor party to an Egyptian concession. The government's position on the matter is neither clear nor unified, raising ambiguity and the risk that an executed assignment offshore could be revisited by the government and EGPC. If so revisited, this could result in the contractor being required to obtain the government's consent to deeds of assignment, liability for assignment bonuses and/or the government seeking termination for breach of the concession agreement. There are no reported cases of a concession being terminated on such grounds. The Company considers the continued communication, correspondences and dealings subsequent to the completion of the Group's acquisition as limiting the probability that such risks will materialise. To date, EGPC has recognized and dealt with the Group as though no such approval was required or, if required, was deemed to have been given by EGPC at the time of the transaction.

RISKS RELATING TO THE COMMON SHARES

Share Price Volatility and Liquidity

Although the Company is applying for the Share Capital to be admitted to trading on AIM, there can be no assurance that an active or liquid trading market for the Common Shares will develop or, if developed, that it will be maintained. AIM is a market designed primarily for emerging or smaller growing companies which carry a higher than normal financial risk and tend to experience lower levels of liquidity than larger companies. Accordingly, AIM may not provide the liquidity normally associated with the Official List or some other stock exchanges. The Common Shares may therefore be difficult to sell compared to the shares of companies listed on the Official List and the share price may be subject to greater fluctuations than might otherwise be the case. An investment in shares traded on AIM carries a higher risk than those listed on the Official List.

The Company is principally aiming to achieve capital growth and, therefore, Common Shares may not be suitable as a short-term investment. Consequently, the share price may be subject to greater fluctuation on small volumes of shares traded, and thus the Common Shares may be difficult to sell at a particular price. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Common Shares may not reflect the underlying value of the Company. There can be no guarantee that the value of an investment in the Company will increase. Investors may therefore realise less than, or lose all of, their original investment.

The share prices of publicly quoted companies can be highly volatile and shareholdings illiquid. The price at which the Common Shares are quoted and the price which investors may realise for their Common Shares may be influenced by a large number of factors, some of which are general or market specific, others which are sector specific and others which are specific to the Group and its operations. These factors include, without limitation, (i) the performance of the Company and the overall stock market, (ii) large purchases or sales of Common Shares by other investors, (iii) results of exploration, development and appraisal programmes and production operations, (iv) changes in analysts' recommendations and any failure by the Group to meet the expectations of the research analysts, (v) changes in legislation or regulations and changes in general economic, political or regulatory conditions, and (vi) other factors which are outside of the control of the Company. Factors unrelated to the Company's performance could include macroeconomic developments nationally, within North America or globally, domestic and global commodity prices, or current perceptions of the oil and gas market. Accordingly, the price at which the common shares of the Company will trade cannot be accurately predicted.

Shareholders may sell their Common Shares in the future to realise their investment. Sales of substantial amounts of Common Shares following Admission, or the perception that such sales could occur, could materially adversely affect the market price of the Common Shares available for sale compared to the demand to buy Common Shares. Such sales may also make it more difficult for the Company to sell equity securities in the future at a time and price that is deemed appropriate. There can be no guarantee that the price of the Common Shares will reflect their actual or potential market value or the underlying value of the Group's net assets.

In order to finance future operations or acquisition opportunities, the Company may raise funds through the issuance of Common Shares or the issuance of debt instruments or securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares.

Dividends

The amount of future cash dividends paid by the Company, if any, will be subject to the discretion of the Board and may vary depending on a variety of factors and conditions existing from time to time, including fluctuations in commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates and the satisfaction of the liquidity and solvency tests imposed by applicable corporate law for the declaration and payment of dividends. Depending on these and various other factors, many of which will be beyond the control of the Company, the dividend policy of the Company from time to time could be reduced or suspended entirely.

The market value of the Common Shares may deteriorate if cash dividends are reduced or suspended. Furthermore, the future treatment of dividends for tax purposes will be subject to the nature and composition of dividends paid by the Company and potential legislative and regulatory changes. Dividends may be reduced during periods of lower funds from operations, which result from lower commodity prices and any decision by the Company to finance capital expenditures or property acquisitions using funds from operations.

To the extent that external sources of capital, including the issuance of additional common shares, become limited or unavailable, the ability of the Company to make the necessary capital investments to maintain or expand petroleum and natural gas reserves and to invest in assets, as the case may be, will be impaired.

Trading Currencies

The Common Shares to be admitted to trading on AIM will be denominated in British Pounds whereas they will continue to be traded on the TSX in Canadian dollars and on NASDAQ in United States dollars. Fluctuations in the exchange rate between the currencies, including the pound sterling, will affect the value of the Common Shares and any dividends the Company may declare in the future, denominated in the local currency of investors outside of Canada.

Liquidity and Arbitrage between TSX, AIM and NASDAQ

While the Directors consider that Admission will increase the liquidity of the Company's share capital, this outcome cannot be guaranteed. In addition, there can be no guarantee that the Common Shares will trade at the same price on the TSX, AIM and NASDAQ. Due to different investor sentiments, liquidity levels, transaction costs, taxation rates, regulations or foreign exchange rates. Additionally, TSX, AIM and NASDAQ operate in different time zones and, for instance, news flow from external sources such as regulatory regime changes which affect the Company may be acted upon earlier by an investor on one market ahead of the other.

The Directors have engaged brokers in both Canada and the UK to manage the migration of shares between the registers kept in Canada and the UK, but there can be no guarantee that this arrangement will eliminate all arbitrage opportunities between the shares traded on the TSX and AIM or that such procedures will be effective.

Dilution and Pre-Emption Rights

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Company which may be dilutive. In order to finance future operations or acquisition opportunities, the Company may raise funds through the issuance of common shares or the issuance of debt instruments or securities convertible into common shares. The Company cannot predict the size of future issuances of common shares or the issuance of debt instruments or other securities convertible into common shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the common shares.

The Company is not required under Canadian law to offer new Common Shares to existing Shareholders on a pre-emptive basis as is required of companies incorporated under CA 2006. As such, it may not be possible for existing Shareholders to participate in future share issues, which may dilute an existing Shareholder's interest in the Company. However, there are various protections afforded to Shareholders as a result of Canadian securities laws. Additionally, pursuant to the Nominated Adviser Agreement and as set out in paragraph 16 of Part III, the Company and the Directors have undertaken to Canaccord (and will undertake in similar terms to the nominated adviser to the Company from time to time) that for as long as the Common Shares remain quoted on AIM, the Company will obtain approval by special resolution for issuance of Common Shares in certain circumstances.

Shareholders not participating in future offerings may be diluted. The Company may in the future issue options and/or warrants to subscribe for new Common Shares, including (without limitation) to certain advisers, employees, directors, senior management and consultants. The exercise of such warrants and/or options would result in dilution of the shareholdings of other investors.

No Takeover Code Protection

The Company is not subject to the provisions of the City Code and it is emphasised that, although the Common Shares will be admitted to trading on AIM, the Company will not be subject to takeover regulation in the UK. However, Canadian laws applicable to the Company provide for early warning disclosure requirements and for takeover bid rules for bids made to security holders in various jurisdictions in Canada, a summary of which is set out in paragraph 16 of Part I of this document.

Debt Facility Arrangements

The Group's lenders use the Group's reserves, commodity prices, applicable discount rate and other factors to periodically determine the Group's borrowing base. Commodity prices continue to be depressed and have fallen dramatically since 2014, and while prices have recently increased they remain volatile as a result of various factors including actions taken to limit OPEC and non-OPEC production and increasing production by US shale producers. Depressed commodity prices could reduce the Group's borrowing base, reducing the funds available to the Group under the credit facility. This could result in the requirement to repay a portion, or all, of the Group's indebtedness.

If the Group's lenders require repayment of all or a portion of the amounts outstanding under its credit facilities for any reason, including for a default of a covenant or the reduction of a borrowing base, there is no certainty that the Group would be in a position to make such repayment. Even if the Group is able to obtain new financing in order to make any required repayment under its credit facilities, it may not be on commercially reasonable terms or terms that are acceptable to the Group. If the Group is unable to repay amounts owing under credit facilities, the lenders under the credit facilities could proceed to foreclose or otherwise realise upon the collateral granted to them to secure the indebtedness.

Issuance of Debt

From time to time, the Group may enter into transactions to acquire assets or shares of other entities. These transactions may be financed in whole or in part with debt, which may increase the Group's debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, the Group may require additional debt financing that may not be available or, if available, may not be available on favourable terms. Neither the Company's articles nor its by-laws limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

It should be noted that the risk factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group.

If any of the risks referred to in this Part II crystallise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its Common Shares could decline and investors may lose all or part of their investment.

Although the Directors will seek to minimise the impact of the risk factors listed above, investment in the Group should only be made by investors able to sustain a total loss of their investment.

PART III ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors, whose names and functions are set out in paragraph 2, accept responsibility, both collectively and individually, for all the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information. All Directors also accept individual and collective responsibility for compliance with the AIM Rules for Companies.

2. The Directors

The Directors and their respective functions are as follows:

- Robert Gibson Jennings – *Chairman of the Board and Director*
- Ross Gordon Clarkson – *Chief Executive Officer and Director*
- Randall Clifford Neely – *President and Director*
- Matthew James Brister – *Director*
- David Bruce Cook – *Director*
- Frederick John Dymont – *Director*
- George Robert MacDougall – *Director*
- Susan Mary MacKenzie – *Director*
- Steven William Sinclair – *Director*

In addition, the Company has the following Senior Managers

- Ross Gordon Clarkson – *Chief Executive Officer*
- Lloyd William Herrick – *Vice-President, Chief Operating Officer*
- Randall Clifford Neely – *President*
- Edward Dale Ok – *Vice-President, Finance, and Chief Financial Officer*
- Brett Norris – *Vice-President, Exploration*

The business address of the Directors and the Senior Managers is 2300, 250 - 5th Street S.W., Calgary, Alberta, T2P 0R4.

3. The Company

TransGlobe was incorporated on 6 August 1968 and was organised under variations of the name "Dusty Mac" as a mineral exploration and extraction venture under the *Companies Act* (British Columbia). The Company changed its name to TransGlobe Energy Corporation on 2 April 1996 and on 9 June 2004, the Company continued from the Province of British Columbia to the Province of Alberta pursuant to the *ABCA* with corporate access number 2011125313.

The Company's principal office is located at 2300, 250 - 5th Street S.W., Calgary, Alberta, T2P 0R4. The Company's registered office is located at 2400, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. The Company's operations office telephone number is 403-264-9888.

The principal legislation governing the Company is the *ABCA* and the regulations made thereunder. In addition to the *ABCA*, distribution of the securities of the Company is governed by applicable securities laws, the TSX Rules and the NASDAQ Stock Market Rules applicable to the Company.

The business of the Group and their principal activity is that of the exploration for and the development and production of crude oil and natural gas in Egypt and Canada.

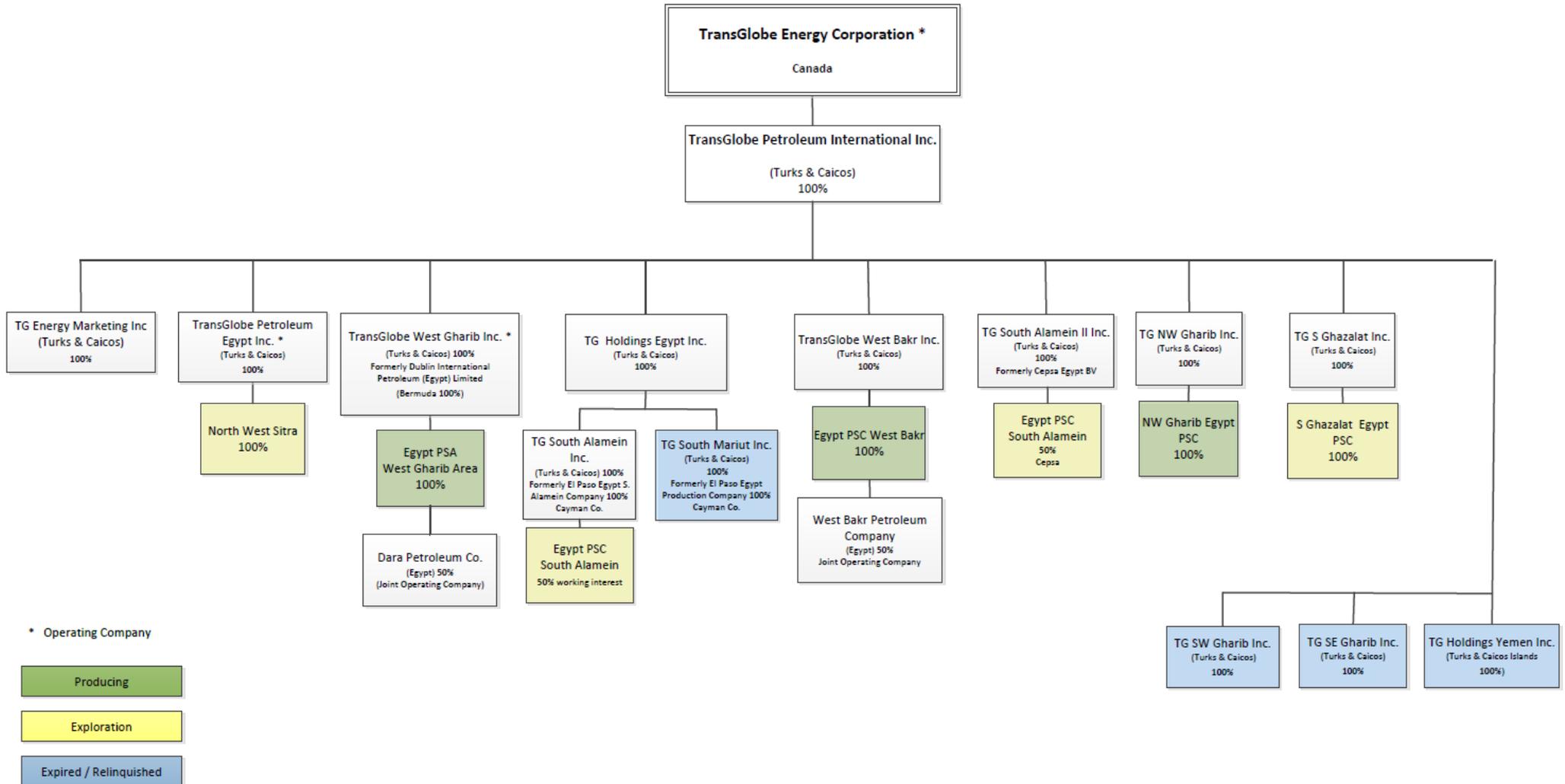
The Company has no administrative, management or supervisory bodies other than the Board, the Senior Managers, the Secretary, the Audit Committee, the Compensation Human Resources and Governance Committee, the RHSES Committee, the Disclosure Committee, the Officers' Risk Committee and, upon formation, the AIM Rules Compliance Committee.

The Company's Common Shares are listed on the TSX under the symbol "TGL" and on the NASDAQ under the symbol "TGA".

4. Subsidiaries and Investments

The corporate structure of the Group is detailed in the diagram below:

TRANSGLOBE ENERGY CORPORATION
January 2018



The Company has the following direct and indirect subsidiaries:

Name	Country and Date of Incorporation, Registered Number	Issued Share Capital	Shareholders
<i>Holding Companies</i>			
TransGlobe Petroleum International Inc.	Incorporated in Turks & Caicos Islands, B.W.I. on 6th December 2001 with registered number E.31395	290,000 common shares	100% held by the Company
TG Holdings Egypt Inc.	Incorporated in the Cayman Islands on 28th October 2008. TG Holdings Egypt Inc. transferred its domicile to Turks & Caicos, B.W.I. on 2nd October 2012 with registered number F.736(E)	9 common shares; 1 preference share	100% held by TPI
<i>Parties to PSCs</i>			
TransGlobe West Gharib Inc.	Incorporated in Bermuda on 28th October 2008. TransGlobe West Gharib Inc. transferred its domicile to Turks & Caicos, B.W.I. on 12th December 2008 with registered number FE.683	12,000 common shares	100% held by TPI
TransGlobe West Bakr Inc.	Incorporated in Turks & Caicos Islands, B.W.I. on 19th January 2010 with registered number E.39822	5,000 common shares	100% held by TPI
TG NW Gharib Inc.	Incorporated in Turks & Caicos Islands, B.W.I. on 18th May 2011 with registered number E.40964	5,000 common shares	100% held by TPI
TG South Alamein Inc.	Incorporated in the Cayman Islands on 28th October 2008. TG South Alamein Inc. transferred its domicile to Turks & Caicos, B.W.I. on 2nd October 2012 with registered number E.737(E)	1 common share	100% held by TG Holdings Egypt Inc.
TG South Alamein II Inc.	Incorporated in Luxembourg on 14th May 2005. TG South Alamein II Inc. transferred its domicile to Turks & Caicos, B.W.I. on 7th June 2013 with registered number F.744(E)	141,355 common shares	100% held by TPI
TG S Ghazalat Inc.	Incorporated in Turks & Caicos Islands, B.W.I. on 6th December 2011 with registered number E.41419	5,000 common shares	100% held by TPI

Name	Country and Date of Incorporation, Registered Number	Issued Share Capital	Shareholders
TransGlobe Petroleum Egypt Inc.	Incorporated in Turks & Caicos Islands, B.W.I. on 21st June 2004 with registered number E.33888	200,000 common shares	100% held by TPI
<i>Miscellaneous</i>			
TG South Mariut Inc.	Incorporated in the Cayman Islands on 14th September 2005. TG South Mariut Inc. transferred its domicile to Turks & Caicos, B.W.I. on 2nd October 2012 with registered number F.738 (E)	102 common shares	100% held by TG Holdings Egypt Inc.
TG Holdings Yemen Inc.	Incorporated in Turks & Caicos Islands, B.W.I. on 23rd July 1997 with registered number E.21548	one common share; 27 preferred shares	100% held by TPI
TG SW Gharib Inc.	Incorporated in Turks & Caicos Islands, B.W.I. on 18th May 2011 with registered number E.40965	5,000 common shares	100% held by TPI
TG SE Gharib Inc.	Incorporated in Turks & Caicos Islands, B.W.I. on 6th December 2011 with registered number E.41418	5,000 common shares	100% held by TPI
TG Energy Marketing Inc.	Incorporated in Turks & Caicos Islands, B.W.I. on 4th November 2014 with registered number E.44337	5,000 common shares	100% held by TPI

Upon the execution of the development lease in a concession, the contractor along with EGPC will incorporate a joint venture operating company that is referred to usually as the operating company. The sole purpose of the operating company is to undertake on behalf of its shareholders and acting as their agent the exploitation activities, which shall be carried out in accordance with good oil field practices and accepted petroleum-engineering principles. The Company has the following direct and indirect joint venture operating companies:

Name	Country and Date of Incorporation, Registered Number	Issued Share Capital	Shareholders
Dara Petroleum Co.	Formed on 25 September 2000 with commercial register number 40228 South Cairo Commercial Registry Office	EGP 20,000	TransGlobe West Gharib Inc. (50%); EGPC (50%)
West Bakr Petroleum Company	Formed on 6 March 2006 375478 Cairo Commercial Registry Office	EGP 20,000	TransGlobe West Bakr Inc. (50%); EGPC (50%)
North West Gharib Petroleum Company	Formed 13 June 2017 74665 South Cairo Commercial Registry Office	EGP 20,000	TG NW Gharib Inc. (50%); EGPC (50%)

Other than as stated in the above table, the Company does not have, nor has it taken any action to acquire, any direct or indirect significant investments.

5. Share Capital

The authorised share capital of the Company is made up of an unlimited number of Common Shares, without nominal or par value. The ISIN of the Common Shares is CA8936621066.

The securities of the Company are created pursuant to the *ABCA*. The distribution of the securities of the Company is governed by the *ABCA*, the TSX Rules, the NASDAQ Stock Market Rules, the *Securities Act* (Alberta) and applicable Rules, Instruments and Policies enacted by the Canadian Securities Administrators.

Under the *ABCA*, the Articles and the By-Laws, no shareholder consent is required to issue shares pursuant to a public or private offering of securities by the Company. However, under the TSX Rules, shareholder approval may be required. See page 34 of Part I of this document for further information in this regard.

The issued share capital of the Company as at 31 May 2018, being the last practicable date prior to the publication of the Announcement, is 72,205,369 Common Shares. The Company does not hold any Common Shares as treasury shares.

During the period covered by the historical financial information, the Company has issued and allotted 70,000 Common Shares and purchased 3,103,792 Common Shares for cancellation as follows:

Date of Issue	Transaction Type	No. of Common Shares Issued (Cancelled)
2 January 2015	Exercise of Options	20,000
24 March 2015	Exercise of Options	50,000
30 April 2015	Purchase Pursuant to Normal Course Issuer Bid	(607,489)
29 May 2015	Purchase Pursuant to Normal Course Issuer Bid	(644,456)
30 June 2015	Purchase Pursuant to Normal Course Issuer Bid	(1,018,045)
31 July 2015	Purchase Pursuant to Normal Course Issuer Bid	(833,802)

As at 31 May 2018, being the most practicable date before publication of the Announcement, Options over a total of 4,875,382 Common Shares have been granted and are presently held by certain Directors, officers, consultants and employees under the Stock Option Plan, all of which are expected to be outstanding immediately following Admission. Further details of Directors' and Senior Management's interests in Options is set out in paragraph 11 of this Part III.

Except as disclosed in this document, the Company does not have in issue any securities not representing share capital and there are no outstanding convertible securities issued by the Company.

The Common Shares may be held in the United Kingdom either in certificated form or, in uncertificated form through Depositary Interests, under the CREST system. The Common Shares may be held in Canada either in certificated form or in uncertificated form under the CDS System.

Except as disclosed in this paragraph, during the period covered by the historical financial information: (i) there has been no change in the number of issued and outstanding Common Shares of the Company; and (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any Common Shares of the Company.

To the best of the Directors' knowledge, there is no person who directly or indirectly, jointly or separately, could exercise control over the Company.

During the period covered by the historical financial information, not more than 10% of the Share Capital of the Company has been paid for with assets other than cash.

6. Articles and By-Laws

The following is a summary of the Company's Articles of Continuance, as amended, and By-Laws, which are the principal governing documents for the Company.

Articles of Continuance

Common Shares: The holders of Common Shares are entitled to vote at any meeting of shareholders of the Company. The holders of Common Shares are entitled to receive any dividend declared by the Company. The holders of Common Shares are entitled receive the remaining property of the Company on dissolution.

Share Transfers: The Company has no restrictions on share transfers in its Articles of Continuance.

Directors: The Company must have a minimum of one and a maximum of eleven (11) Directors at all times, pursuant to its Articles of Continuance. Pursuant to the *ABCA*, the Company must have an audit committee composed of not less than three directors, a majority of whom are not officers or employees of the Company or any of its affiliates.

Restrictions on Business: The Company is not restricted from carrying on any type of business pursuant to its Articles of Continuance.

Other Provisions: The Directors of the Company may, without authorisation of the shareholders: (a) borrow money on the credit of the Company; (b) issue, reissue, sell or pledge debt obligations of the Company; (c) subject to the *ABCA*, give a guarantee on behalf of the Company to secure performance of an obligation of any person, and; (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Company, owned or subsequently acquired, to secure any obligation of the Company;

The Directors may, by resolution, delegate the powers referred to above in (a), (b), (c), or (d) to a Director, a committee of Directors or an officer;

The Directors may, between annual general meetings, appoint one or more additional Directors of the Company to serve until the next annual general meeting, but the number of additional directors must not at any time exceed one-third (1/3) of the number of directors who held office at the expiration of the last annual general meeting of the Company; and

Meetings of the shareholders may be held at any place within or outside of the Province of Alberta as the directors may determine.

Amendments: Any amendments to the Articles of Continuance require a special resolution of the shareholders (66⅔% of those shareholders who vote).

By-Laws

Voting Rights: Subject to any special rights or restrictions that apply to voting by joint holders, incapacitated holders, or to holders for the time being of a particular class of shares in accordance with the Articles, every shareholder who is present in person or by proxy holds one vote for every share of which he is the holder.

Transfers of Securities: Transfers of shares may be effected by an instrument of transfer in any usual form or in any other form approved by the Board. The instrument of transfer must be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee.

Directors:

The number of Directors must not be less than one, nor more than eleven (11). Pursuant to the ABCA, at least one-quarter (1/4) of the Directors must be resident Canadians. Other than filling a vacancy on the Board, at least one quarter (1/4) of the Directors present at any meeting are resident Canadians (unless a resident Canadian Director provides written or telephone consent to the business transacted at the meeting).

The election of Directors must take place at each annual meeting of shareholders and all of the Directors then in office, unless elected for a longer period of time (not to exceed the close of the third (3rd) annual meeting of shareholders following election), must retire but, if qualified, must be eligible for re-election.

Meetings may be held in person or via telephone and may take place anywhere within or outside of Alberta. In order to be duly called, 24 hours advance notice must be provided, unless otherwise waived by all Directors.

The Directors must be paid such remuneration for their services as the Board may from time to time determine. The Directors must also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof.

A resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of the Board or a committee of Directors is as valid as if it had been passed at a meeting of the Board or committee of Directors, as the case may be.

The banking business of the Company including, without limitation, the borrowing of money and the giving of security therefor, must be transacted with such banks, trust companies or other bodies corporate or organisations or any other persons as may from time to time be designated by or under the authority of the Board.

Officers:

The Board may appoint a chairman of the Board, a president, one or more vice-presidents, a secretary, a treasurer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. The Board may specify the duties of and, in accordance with the By-Laws and subject to the provisions of the ABCA, delegate to such officer's powers to manage the business and affairs of the Corporation. Officers may be removed from their roles by Directors. Unless otherwise removed, officers must continue to hold office until a successor is appointed or their earlier resignation.

**Protection of
Directors & Officers:**

Every Director and officer of the Company in exercising his powers and discharging his duties must act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no Director or officer must be liable for the acts, receipts, neglects or defaults of any other Director, officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Company through the insufficiency or deficiency of title to any property acquired for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company must be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the

moneys, securities or effects of the Company must be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune which must happen in the execution of the duties of his office or in relation thereto; provided that nothing in the By-Laws must relieve any Director or officer from the duty to act in accordance with the *ABCA* and the regulations thereunder or from liability for any breach thereof.

Subject to the *ABCA*, the Company will indemnify a Director or officer, a former Director or officer, or a person who acts or acted at the Company's request as a director or officer of a body corporate of which the Company is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Company or such body corporate, if (a) he acted honestly and in good faith with a view to the best interests of the Company; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful. The Company will also indemnify such person in such other circumstances as the Act or law permits or requires. Nothing in the By-Laws must limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of the By-Law.

**Shares and
Shareholders:**

The Company must in each year hold an annual meeting of its shareholders, at which time it must place its financial statements before the shareholders for consideration and for the purpose of electing directors, appointing auditors and for such other purposes as may be properly brought before the meeting. Meetings of shareholders must be held as provided for in the articles of continuance or failing any reference in the articles at such place in Alberta as the board may determine.

Subject to the provisions of the *ABCA*, TSX Rules and applicable securities laws, a meeting of shareholders must be convened by not less than 21 and not more than 50 clear days' notice in writing.

A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the *ABCA* or by the articles or by any other By-Law) must be persons present comprising not being less than two in number and holding or representing not less than 10% of the shares entitled to be voted at the meeting.

On 11 March 2014, the Company adopted an advance notice By-Law (amended 10 March 2015) which outlines the eligibility, nomination, and notice requirements for election as a director of the Company. For a nomination made by a nominating shareholder to be timely notice, the nominating notice must be received by the secretary of the Company not later than the close of business on the 30th day and not earlier than the opening of business on the 65th day before the date of the meeting; provided, however, if the first public announcement made by the Company of the date of the annual meeting is less than 50 days prior to the meeting date, not later than the close of business on the 10th day following the day on which the first public announcement of the date of such annual meeting is made by the Company.

At the annual general and special meeting of shareholders of the Company held on 10 May 2018, the Shareholders approved an amendment to the By-Laws to provide that for so long as the Company has any shares admitted to trading on AIM, all Shareholders in the Company having a holding in 3% or more of the Company's shares, will be required, with effect from Admission, to notify the Company of their holding and of any subsequent relevant changes to their holdings which changes shall include any increase or decrease to such holdings through any single percentage threshold. Notwithstanding the fact the By-Laws regulate the internal affairs of the Company and are binding on the Company and its shareholders (among others), they do not provide the Company with an effective remedy or recourse in the event shareholders do not comply with the amended notice and disclosure obligations under the By-Laws (as amended). As such, the Company will not necessarily be aware of holdings (or changes in holdings) that are required to be disclosed under the By-Laws to the extent shareholders do not comply with such obligations. Accordingly, the Company may not have the information necessary to enable it to announce these shareholdings in accordance with the requirements of rule 17 of the AIM Rules in such cases.

7. Effects of Canadian Domicile

Enforcement of Civil Liabilities

Certain of the directors of the Company reside outside of Canada and, similarly, a significant part of the assets of the Company will be located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and experts not residing in Canada. It may also not be possible to enforce against the Company and certain of its directors and experts named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Canadian Takeover Law

For details of application of the Canadian takeover law, please see paragraph 16, Part I of this document.

Canadian Corporate Law

The Company is a Canadian company continued in the Province of Alberta, Canada under the *ABCA*. There are certain differences between the corporate structure of the Company and that of a public limited company incorporated in the UK under CA 2006. A description of the principal differences is set out below.

Pre-Emptive Rights

The Company is not required under Canadian law to offer new Common Shares to existing Shareholders on a pre-emptive basis as is required of companies incorporated under CA 2006. As such, it may not be possible for existing Shareholders to participate in future share issues, which may dilute an existing Shareholder's interest in the Company. However, pursuant to the Nominated Adviser Agreement, details of which are set out in paragraph 16 of this Part III, the Company has undertaken to Canaccord and any other nominated adviser appointed by the Company from time to time, that from Admission and for so long as the Common Shares are admitted to trading on AIM, the Company will not issue wholly for cash any Common Shares or securities exchangeable or convertible into Common Shares (the "**Relevant Securities**" and "**Securities Issuance**", respectively) such that the Securities Issuance would, when taken together with any issues of other Relevant Securities wholly for cash during the 12 month period prior to the Securities Issuance, exceed 20% of the Company's issued and outstanding share capital on the date of the Securities Issuance, other than where:

- (a) the new Common Shares have first been offered to existing Shareholders who are given a right to acquire Relevant Securities being offered pursuant to the Securities Issuance in proportion to their holdings of existing Common Shares, at the same price and on the same terms as those Relevant Securities are to be offered to any other person(s); or

- (b) the Company has obtained prior Shareholder approval in respect of the proposed Securities Issuance, by way of passing at a general meeting of the Company of a resolution by a majority of not less than 75% of the votes cast by the Shareholders who voted in respect of that resolution.

The Disclosure of Interests in Shares

As a company existing under the laws of the province of Alberta, the Shareholders will not be subject to any UK requirement to disclose to the Company their holdings of Common Shares. Please see paragraph 17 of Part I for details of the Canadian disclosure requirements in relation to interests in the Common Shares and the amendment of the Company's By-Laws at the Company's annual general meeting on 10 May 2018.

Cancellation of the Common Shares Trading on AIM

Under Rule 41 of the AIM Rules, should the Company wish to cancel the admission of its Common Shares to trading on AIM it is required to obtain the consent of not less than 75% of votes cast by its Shareholders at a duly called meeting thereof (unless the London Stock Exchange otherwise agrees in certain circumstances).

8. UK Taxation

Introduction

The information in this paragraph is based on the Directors' understanding of current UK tax law and HM Revenue & Customs' published practice as at the date of this document, which are subject to change at any time, possibly with retrospective effect. The information is intended as a general guide and applies only to certain shareholders who are resident (and in the case of individuals, domiciled) in the UK for tax purposes (except to the extent that specific reference is made to shareholders resident outside the UK), who hold their Common Shares as investments and who are the absolute beneficial owners of those Common Shares and any dividends paid on them.

The following is a summary and should not be construed as constituting advice. It does not deal with the position of certain classes of shareholders who are subject to special rules, such as dealers in securities, traders, banks, financial institutions, investment companies, tax exempt organisations, broker dealers, insurance companies, collective investment schemes, persons connected with the Company or shareholders who have or are deemed to have acquired their Common Shares by virtue of an office or employment. Shareholders who are in doubt as to their position or who are subject to tax in any jurisdiction other than the UK should consult their own professional advisers immediately.

An investment in the Company involves a number of complex tax considerations. Changes in law, practice of a tax or fiscal authority or in the interpretation of law in any of the countries in which the Company (or any subsidiary of the Company) has assets or carries on business, or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Company to investors.

Prospective shareholders are strongly advised to take independent tax advice from their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Common Shares under the laws of their country and/or state of citizenship, domicile or residence.

Tax Treatment of the Company

Provided that the Company is not resident in the UK for taxation purposes and does not carry out any trade in the UK (whether or not through a permanent establishment situated there), the Company should not be liable for UK taxation on its income and gains, other than in respect of interest, certain UK situs assets and certain other income received by the Company from a UK source (to the extent that it is subject to the withholding of basic rate income tax in the UK).

It is the intention of the Directors to conduct the affairs of the Company so that the central management and control of the Company is not exercised in the UK in order that the Company does not become resident in the UK for taxation purposes. The Directors intend, insofar as this is within their control, that the affairs of the Company are conducted so the Company is not treated as carrying on a trade in the UK through a permanent establishment.

Tax Treatment of Investors

Capital Gains Tax ("CGT")

Disposal of Common Shares

A disposal or deemed disposal of Common Shares by shareholders who are resident in the UK for taxation purposes may, depending upon the shareholder's individual circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals and, prior to 1 January 2018, indexation for corporate shareholders), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

For UK tax resident individuals, capital gains are chargeable at 10% or 20% depending on the individual's total taxable income and gains, subject to certain reliefs and exemptions. The rate for trustees is 20%.

For UK corporates any gain would be taxable at a maximum rate of 19% for the financial year 1 April 2018 to 31 March 2019.

Shareholders who are not resident in the UK (and are not temporarily non-resident) generally will not be subject to UK CGT on the disposal or deemed disposal of Common Shares unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate shareholder, a permanent establishment) in connection with which the Common Shares are used, held or acquired. Non-UK tax resident shareholders may be subject to non-UK taxation on any gain under local law.

Inheritance Tax ("IHT")

Common Shares beneficially owned by an individual shareholder may be subject to UK IHT on the death of the shareholder or, in certain circumstances, on a gift by the shareholder. Generally, UK IHT is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to the death of the donor. For UK IHT purposes, a transfer of assets to another individual or trust could potentially be subject to UK inheritance tax, based on the loss of value to the donor.

Particular rules apply to gifts where the donor reserves or retains some benefit. Special rules apply to close companies and to trustees of settlements who hold shares, which could bring them within the charge to UK IHT.

Shareholders should consult an appropriate professional adviser if they intend to make a gift of any kind or intend to hold Common Shares through trust arrangements. They should also seek professional advice in a situation where there is a potential for a double charge to UK IHT and an equivalent tax in another country or if they are in any doubt about their UK IHT position.

Income Tax

Taxation of Dividends

Under current UK tax legislation no tax is withheld from dividends paid by the Company.

UK Resident Individual Shareholders

Dividends payable by the Company may suffer withholding tax in Canada. If the dividend had been subject to Canadian withholding tax, the amount of the dividend received, plus the withholding tax, will be included in the assessable income of the UK shareholder. In these circumstances the shareholder should be entitled to a credit to the withholding tax. The credit would be limited to the lesser of the withholding tax or the UK tax payable on the combined amount of the dividend plus the withholding tax.

UK individuals were given an effective tax-free allowance of £2,000 on dividend income per year. Dividend income in excess of £2,000 allowance will be taxed at the following rates:

- (a) 7.5% (basic rate taxpayers);
- (b) 32.5% (high rate taxpayers); and
- (c) 38.1% (additional rate taxpayers).

Dividend income that is within the dividend allowances counts towards an individual's basic or higher rate limits – and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of this allowance. In calculating into which tax band any dividend income over the £2,000 allowance falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

UK Resident Corporate Shareholders

Shareholders within the charge to UK corporation tax which are “small companies” (for the purposes of UK taxation of dividends) will not generally expect to be subject to UK tax on dividends from the Company (because the Company is resident in a “qualifying territory” for the purposes of the legislation contained in the Corporation Tax Act 2009). This will be subject to meeting the other qualifying conditions of Chapter 2, Part 9A of *Corporation Tax Act 2009*.

Dividends paid on the Common Shares to other shareholders within the charge to UK corporation tax will generally (subject to anti-avoidance rules) fall within one or more of the classes of dividend qualifying for exemption from corporation tax. In general, dividends paid on shares that are “ordinary share capital” for UK tax purposes and are not redeemable, and dividends paid to a person holding less than 10% of the issued share capital of the payer (or any class of that share capital) are examples of dividends that fall within an exempt class. In the event that the dividends do not qualify for such exemption, shareholders within the charge to UK corporation tax will be subject to corporation tax on them. Shareholders within the charge to corporation tax are advised to consult their independent professional tax advisers in relation to the implications of the legislation.

Dividends payable by the Company may suffer withholding tax in Canada. In the event that a UK corporate shareholder receives a dividend that falls within an exempt class for UK corporation tax purposes, any withholding tax paid on the dividend will not be creditable or otherwise utilisable in reducing the UK corporation tax liability of the company. Should withholding tax be suffered on a dividend that is not treated as exempt for UK corporation tax purposes then that tax paid may be applied to reduce the liability to UK corporation tax arising on the dividend, or treated as an expense of the company in computing taxable profits.

Non-UK Resident Shareholders

Shareholders who are not resident in the UK will not generally be subject to UK corporation tax on dividends unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate shareholder, a permanent establishment) in connection with which the Common Shares are used, held or acquired. A shareholder resident outside the UK may be subject to non-UK taxation on dividend income under local law. Shareholders who are not resident for tax purposes in the UK should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

Anti-Avoidance

Deemed Gains

The attention of Shareholders who are resident in the United Kingdom for tax purposes is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992. This provides that for so long as the Company would be a close company if it were resident in the UK, Shareholders could (depending on individual circumstances) be liable to UK capital gains taxation on their pro rata share of any capital gain accruing to the Company (or, in certain circumstances, to a subsidiary or investee company of the Company). Shareholders should consult their own independent professional advisers as to their UK tax position.

“Controlled Foreign Companies” Provisions – Deemed Income of Corporates

If the Company were at any time to be controlled, for UK tax purposes, by persons (of any type) resident in the United Kingdom for tax purposes, the “controlled foreign companies” provisions in Part 9A of Taxation (International and Other Provisions) Act 2010 could apply to UK resident corporate Shareholders. Under these provisions, part of any “chargeable profits” accruing to the Company (or in certain circumstances to a subsidiary or investee company of the Company) may be attributed to such a corporate Shareholder and may in certain circumstances be chargeable to UK corporation tax in the hands of the corporate Shareholder. The Controlled Foreign Companies provisions are complex, and prospective investors should consult their own independent professional advisers.

Deemed Income of Individuals

The attention of Shareholders who are individuals resident in the United Kingdom for tax purposes is drawn to the provisions set out in Chapter 2 of Part 13 of the UK Income Tax Act 2007, which may render those individuals liable to UK income tax in respect of undistributed income of the Company.

“Transactions in securities”

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel “tax advantages” derived from certain “transactions in securities”.

Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

The statements below summarise the current UK Stamp Duty and SDRT position and are intended as a general guide only. Certain categories of person may not be liable to Stamp Duty or SDRT, and special rules apply to agreements made by certain categories of persons including intermediaries, brokers, dealers and persons connected with depository receipt systems and CREST services, who may be liable to Stamp Duty or SDRT at a higher rate or may, although not primarily liable for the tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

Transfers Outside of CREST

The transfer on sale of Common Shares held in certificated form should not give rise to any liability to ad valorem Stamp Duty, unless the transfer document is signed in the UK, or relates to any matter or thing done or to be done in the UK.

An unconditional agreement to transfer Common Shares will not normally give rise to SDRT, provided that (i) the Common Shares are not registered on a share register kept in the UK, and (ii) the Common Shares are not paired with shares issued by a body corporate incorporated in the UK.

Common Shares Held in CREST

For Common Shares held in CREST, no stamp duty or SDRT should arise on the issue by the depository to the Company of depository interests representing the underlying Common Shares in an uncertificated form (which are eligible for settlement through CREST). No stamp duty should arise on transfers of the depository interests assuming that the transfer of depository interests held in CREST operates without any written instrument of transfer.

No SDRT should arise on agreements to transfer depositary interests representing the underlying Common Shares while the depositary interests are UK depositary interests as defined in and the Common Shares satisfy the requirements of the SDRT (UK Depositary Interests in Foreign Securities) Regulations 1999. The requirements are met for Common Shares in the Company as long as central management and control of the Company is not exercised in the United Kingdom, the Common Shares are not registered in a register kept in the United Kingdom by or on behalf of the Company and the Common Shares are of the same class as securities listed on a recognised stock exchange within the meaning of section 1005(3) *Income Tax Act 2007* as designated by HMRC such as the TSX and NASDAQ.

The Common Shares do not benefit from the 'recognised growth market' exemption from stamp duty and SDRT for shares traded on AIM while Common Shares are listed on the TSX and/or NASDAQ, which are recognised stock exchanges designated by HM Revenue and Customs (or any other such exchange).

Rates of Stamp Duty and SDRT

If stamp duty or SDRT is chargeable in relation to a transfer or agreement to transfer Common Shares or SDRT is chargeable in relation to agreements to transfer depositary interests in Common Shares held in CREST, stamp duty or SDRT is generally chargeable at the rate of 0.5% of the amount or value of the consideration given for the transfer or under the agreement (rounded up in the case of stamp duty to the nearest £5 if necessary). If such liability arises, stamp duty or SDRT is generally payable by the transferee.

9. Canadian Taxation

Introduction

The following summary describes, as of the date hereof, the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations promulgated thereunder (the "**Canadian Tax Act**") generally applicable to a shareholder who holds, as beneficial owner, Common Shares and, at all relevant times and for purposes of the Canadian Tax Act, (i) is not, and is not deemed to be, resident in Canada, (ii) holds the Common Shares as capital property, (iii) does not, and will not be deemed to use or hold the Common Shares in the course of carrying on a business in Canada, (iv) deals at arm's length with the Company, and (v) is not affiliated with the Company (a "**Non-Resident Holder**"). This summary does not apply to a Non-Resident Holder who carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or to a Non-Resident Holder that is an "authorised foreign bank", as such term is defined in the Canadian Tax Act. This summary does not address the tax consequences to shareholders who borrow or borrowed funds in connection with their acquisition of Common Shares.

This summary is based on the provisions of the Canadian Tax Act in force on the date hereof, the current provisions of the Canada-United Kingdom Income Tax Convention (the "Canada-UK Treaty"), and our understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing and publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Canadian Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all such Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, or changes in the administrative policies and assessing practices of the CRA, nor does it take into account the laws of any province or territory of Canada or of any jurisdiction outside of Canada, which may differ from those discussed in this summary.

This summary is not exhaustive of all possible Canadian federal income tax considerations, is of a general nature only, and is not intended to be, nor should it be construed as, legal or tax advice to any particular shareholder. Accordingly, shareholders should consult their own tax advisers for advice with respect to the income tax consequences to them of acquiring, holding and disposing of Common Shares having regard to their own particular circumstances.

Currency Conversion

Generally, for purposes of the Canadian Tax Act, all amounts relating to the acquisition, holding or disposition of Common Shares must be determined in Canadian dollars. Any amount denominated in a currency other than Canadian currency must be converted into Canadian dollars, generally at the single day exchange rate quoted by the Bank of Canada on the date the amount first arose (or if there is no such rate quoted for the applicable day, the closest preceding day for which such a rate is quoted) or such other rate of exchange acceptable to the CRA.

Taxation of Dividends

Any dividend on a Common Share, including a stock dividend that is paid or credited, or deemed to be paid or credited, by the Company to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend. The rate of withholding tax may be reduced under the provisions of an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident for tax purposes. Pursuant to the Canada-UK Treaty, the rate of withholding tax applicable to a dividend paid (or deemed to be paid) on a Common Share to a Non-Resident Holder who is a resident of the United Kingdom for purposes of the Canada-UK Treaty (a "**UK Holder**") will generally be reduced to 15% of the gross amount of the dividend (or 5% in the case of a UK Holder that is a company that controls, directly or indirectly, at least 10% of the voting power of the Company). The Company will be required to withhold any such tax from the dividend paid or credited to the Non-Resident Holder and remit the tax directly to the Receiver General for Canada for the account of the Non-Resident Holder.

Taxation of Capital Gains

A Non-Resident Holder generally will not be subject to tax under the Canadian Tax Act on any capital gain realized by the Non-Resident Holder on a disposition (or deemed disposition) of Common Shares unless the Common Shares constitute "taxable Canadian property" to the Non-Resident Holder for purposes of the Canadian Tax Act. Provided that the Common Shares are listed on a "designated stock exchange" as defined in the Canadian Tax Act, the Common Shares generally will not constitute taxable

Canadian property to the Non-Resident Holder unless at any time during the 60-month period immediately preceding the disposition: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, partnerships in which the Non-Resident Holder or a person with whom the Non-Resident Holder did not deal at arm's length holds a membership interest directly or indirectly through one or more partnerships, or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class of the capital stock of the Company; and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Canadian Tax Act), "timber resource properties" (as defined in the Canadian Tax Act), or options in respect of, or interests in, or for civil law rights in, such property whether or not such property exists. Further, Common Shares may be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Canadian Tax Act in certain circumstances.

Any Non-Resident Holder that would otherwise be subject to Canadian income tax on a capital gain realized on a disposition of a Common Share that constitutes taxable Canadian property to the Non-Resident Holder may be eligible for relief pursuant to an income tax convention between Canada and the country in which the Non-Resident Holder is resident for tax purposes. Non-Resident Holders whose Common Shares may be "taxable Canadian property" should consult their own tax advisors for advice having regard to their particular circumstances.

10. Significant Shareholders

Canadian disclosure requirements applicable to shareholders of the Company differ from those that apply to a company incorporated in the United Kingdom. Under applicable Canadian securities laws, holders of greater than 10% of the voting shares are required to declare their positions (and conduct certain filings, provide certain notices, etc.), whereas the AIM Rules dictate that all holders holding in excess of 3% of the voting shares must disclose their interests and changes in those interests. Based only on publically available information and information made available to the Company by a service provider specializing in shareholder intelligence matters, the following persons hold 3% or more of the issued and outstanding Common Shares as at 31 March 2018 other than Mr. Clarkson whose holdings are shown as at 31 May 2018 (being the last practicable date prior to the publication of the Announcement):

Name	Percentage of Share Capital
Credit Agricole Suisse SA	10.01%
Henderson Global Investors Ltd.	7.27%
Invesco Advisers, Inc.	6.98%
Shanghai Fosun Industrial Investment Co. Ltd.	3.36%
Ross G. Clarkson	3.30%
Dimensional Fund Advisors LP	3.18%

According to the registered list of shareholders of the Company as at 31 May 2018, CDS & Co. holds 49,813,696 existing Common Shares. CDS & Co. is the recognized depository through which uncertified shares are held in Canada. Accordingly, some of the Common Shares in the table above are included with amounts held by CDS & Co.

No major holder of Common Shares, including those listed above, has voting rights different from other holders of Common Shares.

11. Directors' and Senior Managers' Interests in the Company

The interests of the Directors and Senior Managers and persons connected with them, within the meaning of sections 252 and 253 CA 2006, in the share capital of the Company, as at 31 May 2018 (being the last practicable date prior to the publication of the Announcement), all of which are beneficial and as expected to be immediately following Admission, are as follows:

Name	Number of Common Shares	Percentage of Share Capital
Robert G. Jennings	30,000	0.04%
Ross G. Clarkson	3,086,640 ¹	4.27%
Randall C. Neely	100,300	0.14%
Matthew J. Brister	200,000	0.28%
David B. Cook	Nil	0%
Fred J. Dyment	163,100	0.23%

Name	Number of Common Shares	Percentage of Share Capital
Bob (G.R.) MacDougall	27,800	0.04%
Susan M. MacKenzie	15,000	0.02%
Steven W. Sinclair	30,000	0.04%
Lloyd W. Herrick	696,427 ²	0.96%
Edward D. Ok	25,615	0.04%
Brett Norris	7,524 ³	0.01%

Notes:

(1) Of which 698,198 Common Shares are held by a person connected to Ross Clarkson.

(2) Of which 7,300 Common Shares are held by a person connected to Lloyd Herrick.

(3) Of which 3,625 Common Shares are held by a person connected to Brett Norris.

The holdings of the Directors and the Senior Managers of Options over Common Shares pursuant to the Stock Option Plan, as at 31 May 2018 (being the last practicable date prior to the publication of the Announcement) and as expected to be immediately following Admission are as set out below. Those Directors and Senior Managers who do not hold Options have been omitted from the list.

Director / Manager	Date of Grant	Aggregate Number of Options outstanding	Exercise Price (C\$)	Expiry Date
Ross G. Clarkson	20 May 2014	306,000	7.26	19 May 2019
	15 May 2015	306,000	4.99	14 May 2020
	18 May 2016	420,681	2.19	17 May 2021
	19 May 2017	355,200	2.16	18 May 2022
	17 May 2018	292,696	2.62	18 May 2023
Randall C. Neely	20 May 2014	162,000	7.26	19 May 2019
	15 May 2015	162,000	4.99	14 May 2020
	18 May 2016	297,792	2.19	17 May 2021
	19 May 2017	188,600	2.16	18 May 2022
	17 May 2018	231,522	2.62	18 May 2023
Lloyd W. Herrick	20 May 2014	243,000	7.26	19 May 2019
	15 May 2015	243,000	4.99	14 May 2020
	18 May 2016	333,678	2.19	17 May 2021
	19 May 2017	281,700	2.16	18 May 2022
	17 May 2018	232,161	2.62	18 May 2023
Edward D. Ok	17 May 2018	130,435	2.62	18 May 2023
Brett Norris	20 May 2014	109,000	7.26	19 May 2019
	15 May 2015	109,000	4.99	14 May 2020
	18 May 2016	160,002	2.19	17 May 2021
	19 May 2017	126,900	2.16	18 May 2022
	17 May 2018	104,572	2.62	18 May 2023

The holdings of the Directors and the Senior Managers of RSUs pursuant to the RSU Plan, as at 31 May 2018 (being the last practicable date prior to the publication of the Announcement) and as expected to be immediately following Admission, are as set out below. Those Directors and Senior Managers who do not hold RSUs have been omitted from the list. The RSUs vest as to 1/3 each year after the date of grant.

Director / Manager	Date of Grant	Number of RSUs Outstanding	Market Price at Time of Grant (C\$)
Ross G. Clarkson	19 May 2017	41,533	2.16
Randall C. Neely	19 May 2017	22,067	2.16
Lloyd Herrick	19 May 2017	32,933	2.16
Edward Ok	20 May 2016 19 May 2017	4,098 16,200	2.47 2.16
Brett Norris	19 May 2017	14,867	2.16

The holdings of the Directors and the Senior Managers of PSUs pursuant to the PSU Plan, as at 31 May 2018 (being the last practicable date prior to the publication of the Announcement) and as expected to be immediately following Admission, are as set out below. Those Directors and Senior Managers who do not hold PSUs have been omitted from the list. The PSUs vest, as per given performance period, by multiplying the awarded PSUs by the vesting percentage, as calculated by the Board.

Director / Manager	Date of Grant	Number of PSUs Outstanding	Market Price at Time of Grant (C\$)
Ross G. Clarkson	20 May 2016	135,246	2.47
	19 May 2017	124,700	2.16
	17 May 2018	159,024	2.54
Randall C. Neely	20 May 2016	95,738	2.47
	19 May 2017	66,200	2.16
	17 May 2018	125,787	2.54
Lloyd W. Herrick	20 May 2016	107,275	2.47
	19 May 2017	98,900	2.16
	17 May 2018	126,135	2.54
Edward D. Ok	20 May 2016	12,295	2.47
	19 May 2017	8,100	2.16
	17 May 2018	70,866	2.54
Brett Norris	20 May 2016	51,439	2.47
	19 May 2017	44,500	2.16
	17 May 2018	56,815	2.54

The holdings of the Directors of DSUs pursuant to the DSU Plan, as at 31 May 2018 (being the last practicable date prior to the publication of the Announcement) and as expected to be immediately following Admission, are as set out below. Those Directors who do not hold DSUs have been omitted from the list. The DSUs vest on grant.

Director	Date of Grant	Number of DSUs Outstanding	Market Price at Time of Grant (C\$)
Matthew J. Brister	19 May 2017	25,000	2.16
	17 May 2018	27,559	2.54
David B. Cook	14 August 2014	31,374	6.92
	15 May 2015	12,977	4.92
	20 May 2016	22,131	2.47
	27 June 2016	28,745	2.47
	19 May 2017	25,000	2.16
	19 May 2017	32,870	2.16
	17 May 2018	51,181	2.54
Fred J. Dymont	14 August 2014	21,892	6.92
	15 May 2015	12,977	4.92
	27 June 2016	22,131	2.47
	19 May 2017	25,000	2.16
	17 May 2018	27,559	2.54
Robert G. Jennings	14 August 2014	29,749	6.92
	15 May 2015	39,814	4.92
	27 June 2016	27,665	2.47
	19 May 2017	31,250	2.16
	17 May 2018	35,433	2.54
Bob (G.R.) MacDougall	14 August 2014	31,374	6.92
	15 May 2015	12,977	4.92
	27 June 2016	22,131	2.47
	19 May 2017	25,000	2.16
	17 May 2018	27,559	2.54
Susan M. MacKenzie	20 May 2014	30,504	6.92
	15 May 2015	12,977	4.92
	27 June 2016	22,131	2.47
	19 May 2017	25,000	2.16
	17 May 2018	27,599	2.54
Steven W. Sinclair	19 May 2017	25,000	2.16
	17 May 2018	27,599	2.54

Except as disclosed in the tables above, none of the Directors or Senior Managers nor any person connected with them, within the meaning of sections 252 and 253 CA 2006, is interested in the share capital of the Company, or in any related financial products referenced to the Common Shares.

There are no outstanding loans granted by any member of the Group to any Director, nor has any guarantee been provided by any member of the Group for their benefit.

The Company has entered into the following employment agreements (the "**Employment Agreements**" and each an "**Employment Agreement**") with its Senior Managers and members of the Board who are executive directors:

- Ross Clarkson – Chief Executive Officer
- Lloyd Herrick – Vice President & Chief Operating Officer
- Randy Neely – President

- Edward Ok – Vice President Finance & Chief Financial Officer
- Brett Norris – Vice President, Exploration

Each of these Employment Agreements provide for an indefinite term of employment. The executive may resign on two months' notice. The Company may terminate the executive's appointment with immediate effect for cause, or without cause on the payment of certain amounts as follows:

- pro-rata base salary earned for services rendered up to and including the termination date, and all accrued and unused vacation pay, and reimbursable expenses accrued up to and including the termination date;
- a retiring allowance equal to two times the executive's annual base salary as at the termination date (for Mr. Norris this amount is one and a half times the executive's annual base salary as at the termination date); and
- an amount equal to 10% of the retiring allowance.

In addition, for Messrs. Clarkson, Herrick and Norris, in the case of a termination without cause, all options that are scheduled to vest within two years of the termination date will immediately vest on the termination date and will be exercisable for 30 days.

The Employment Agreements provide for payments to the executives in respect of a change of control of the Company in certain circumstances. Compensation arrangements for the Senior Managers are set out in the Public Record.

Except as set out above, there are no employment agreements or appointment letters in place with the executive Directors or Senior Managers which provide for remuneration payments, rights on termination or restrictive covenants. Only shareholders can remove directors at a meeting of shareholders. None of the current Directors have been elected for an expressly stated term. Under the ABCA, each Director ceases to hold office at the close of the first annual meeting of shareholders following the Director's election.

The Company, on approval of the Board, remunerates its non-executive Directors based on an annual retainer and on their membership on the Company's Board committees. The aggregate remuneration paid and benefits in kind granted to the non-executive Directors for the period from 31 December 2017 to Admission, under the arrangements in force as at the date of this document, amount to C\$674,375. It is estimated that the aggregate remuneration payable to the Directors from the date of Admission to 31 December 2018 under arrangements that are in force and that will come into effect on Admission will amount to C\$313,125. Compensation arrangements for non-executive Directors are set out in the Public Record.

None of the Directors has any commission or profit sharing arrangements with the Company. Except as provided for in this paragraph 11, the total emoluments of the Directors will not be varied as a result of Admission. Except as disclosed in this paragraph 11, there are no existing or proposed service contracts between the Company and any of the Directors.

In addition to their directorships of the Company, the Directors are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships within the five years prior to the publication of this document:

Director	Current	Past
Robert G. Jennings	TransGlobe Energy Corporation Avalon Resources Ltd. World Point Terminals World Point Inc. Wolf Coulee Resources Corse Energy Corp.	Northern Spirit Ltd. Pradera Oil and Gas
Ross G. Clarkson	TransGlobe Energy Corporation TransGlobe Petroleum International Inc. TransGlobe Petroleum Egypt Inc. TransGlobe West Gharib Inc. TG Holdings Yemen Inc. TransGlobe West Bakr Inc.	Nil
Randy C. Neely	TransGlobe Energy Corporation	Horn Petroleum Corporation
Matthew J. Brister	TransGlobe Energy Corporation Bison Oil and Gas Ltd. Storm Energy Ventura Resources Ltd. Kanata Energy Group Ltd.	Chinook Energy Inc. Bridge Energy Inc.
David B. Cook	TransGlobe Energy Corporation Ineos E&P (SIRI UK Limited) Ineos E&P (UK) Limited Ineos E&P Services (UK) Limited Ineos E&P A/S Ineos E&P DK A/S Ineos E&P Gronland A/S	Abu Dhabi National Energy
Fred J. Dymont	TransGlobe Energy Corporation ARC Resources Ltd. Major Drilling Group International Inc. Avalon Oil & Gas Ltd.	WesternZagros Resources Ltd. TESCO Corporation WesternZagros Ltd.
Bob (G.R.) MacDougall	TransGlobe Energy Corporation Parex Resources Inc.	Nil

Director	Current	Past
Susan M. MacKenzie	TransGlobe Energy Corporation FortisAlberta Freehold Royalties Ltd. Enerplus Corporation Precision Drilling Inc.	Nil
Steven W. Sinclair	TransGlobe Energy Corporation DeltaStream Energy Corporation	Nil

No Director has:

- (a) had any convictions in relation to fraudulent offences or unspent convictions in relation to indictable offences;
- (b) had a bankruptcy order made against him or entered into an individual voluntary arrangement;
- (c) been a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he was acting in that capacity for that company or within the 12 months after he ceased to so act;
- (d) been a partner in any partnership placed into compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;
- (e) been subject to receivership in respect of any asset of such Director or of a partnership of which the Director was a partner at the time of or within 12 months preceding such event; or
- (f) been subject to any official public criticisms by any statutory or regulatory authority (including designated professional bodies) nor has such Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Save as disclosed in this paragraph 11, no Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company or any other member of the Group during the current financial year which remains outstanding or unperformed.

In the case of those Directors who have roles as directors of companies which are not a part of the Group, although there are no current conflicts of interest, it is possible that the general duties under the *ABCA* and fiduciary duties owed by those Directors to companies of which they are directors from time to time may give rise to conflicts of interest with the duties owed to the Group. Except as mentioned above, there are no potential conflicts of interest between the duties owed by the Directors to the Company and their private duties or duties to third parties. Any conflicts of interest will be subject to and governed by the law applicable to directors; and officers' conflict of interest, including the provisions prescribed by the *ABCA*. The *ABCA* requires that directors and officers of the Company, who are also directors or officers of a party which enters into a material contract with the Company or otherwise have a material interest in a material contract entered into by the Company, must disclose their interest and, in certain instances, refrain from voting on any resolution of the Company's directors to approve the contract.

Except for the Directors and the Senior Managers, the Board does not believe that there are any other senior managers who are relevant in establishing that the Company has the appropriate expertise and experience for the management of the Company's business.

For each of the Directors, the period during which the Director has served in that office is as follows. Each Director holds office until the next annual and general meeting of shareholders or until the earliest of their resignation or their successors are elected or appointed.

Director	Office	Date of Commencement of Period of Service in Office
Robert G. Jennings	Director	2011
Ross G. Clarkson	Director	1995
Randy C. Neely	Director	2018
Matthew J. Brister	Director	2017
David B. Cook	Director	2014
Fred J. Dymont	Director	2004
Bob (G.R.) MacDougall	Director	2014
Susan M. MacKenzie	Director	2014
Steven W. Sinclair	Director	2017

12. Stock Option Plan

The Company has a Stock Option Plan, as amended 10 May 2016 and approved by the shareholders of the Company on 12 May 2016 that permits the granting of Options to all officers and other employees of the Company or a person that is controlled by the Company (a "**Related Entity**"). See the summary of the Company's Stock Option Plan (and full text of such plan) in its Management Information Circular available in the Public Record (www.sedar.com) for further details.

13. RSU Plan, PSU Plan and DSU Plan

The Company has an RSU Plan and PSU Plan that permits the granting of RSUs and PSUs to all employees of the Company and its Related Entities. The Company also has a DSU Plan that permits the granting of DSUs to all directors of the Company and its Related Entities. See the summaries of the Company's RSU Plan, PSU Plan and DSU Plan in its Management Information Circular available in the Public Record (www.sedar.com) for further details.

14. Legislative Structure of the Egyptian Oil and Gas Industry

The Egyptian government has restructured the energy sector to cope with the expanding activities of oil, gas and petrochemicals in Egypt. Certain government agencies, including EGPC, the Egyptian Natural Gas Holding Company ("**EGAS**") and the Ganoube El-Wadi Petroleum Holding Company ("**GANOPE**") have been set up to help the Ministry of Petroleum ("**MOP**") achieve its objectives.

The following laws predominantly regulate the oil and gas industry in Egypt:

- Fuel Materials Law No. 66/1953, On Mines and Quarries, also establishing the General Egyptian Petroleum Organization under the Ministry of Industry and its Executive Regulations issued by Ministerial Decree No. 758/1972;
- Law No. 135/1956, as amended by Law No. 167/1958, establishing the General Corporation of Petroleum Affairs regarding EGPC;
- Prime Ministerial Decree No. 1009/2001, concerning the establishment of EGAS, as amended by Prime Ministerial Decree No. 1580/2003; and
- Prime Ministerial Decree No. 1755/2002, concerning the establishment of GANOPE, as amended.

The Right to Explore and Develop Oil and Gas

The primary mechanism for granting a contractor the right to carry out oil and gas exploration and development activities in Egypt is the concession agreement (also referred to as a production sharing contract). The Egyptian government first grants rights to exploration licenses through a competitive bidding process. The successful bidder is then required to enter into individual concession agreements with EGPC, EGAS or GANOPE (as applicable) for each concession area acquired. First, however, a law will be issued allowing the applicable government agency to enter into the concession agreement with the contractor, and the particular concession law will govern all aspects related to a concession. References may be made to other laws in Egypt, such as certain environmental regulations (discussed below), and these other laws will apply to the particular aspects of a concession. Concession agreements have the force and privileges of law in Egypt, meaning each agreement is considered to be an Act of Parliament that requires approval.

The Concession Agreement

The particular terms of concession agreements are open to negotiation, but each concession agreement will typically set out certain factors such as:

- minimum work and financial commitments associated with each exploration and development programme;
- any bonus payment(s) to be paid by the contractor to the applicable government agency upon triggering events (usually tied to certain production milestones);
- royalties payable to the government in cash or in kind (10% for any quantity of oil or gas produced and saved from the area covered by the concession during the development period);
- exploration and development periods and extensions of each;
- rules concerning the contractor's recovery of its costs and expenses in association with exploration, development and related operations;
- production sharing valuations; and
- relinquishment obligations and the associated triggering events.

Under the exploration phase of the concession agreement, the contractor will be granted the right to carry out exploration activities in the area defined under the concession agreement. The exploration phase is typically for a seven year term which is general divided into two or three terms: the initial term of two to five years and up to two potential extensions of one to three years each. If no commercial discovery is made at the end of the exploration phase, the concession agreement will terminate. Even if a commercial discovery is made, the contractor will have to relinquish certain areas not associated with the commercial discovery. The contractor may also voluntarily relinquish exploration areas at any time before the end of exploration phase.

After a commercial discovery is made, the contractor and the applicable government agency will decide whether to develop the area. If the parties decide to proceed, and if the MOP approves, then the parties will designate the development area (within the concession area) that will become subject to a development lease. The terms of the development lease are set out in the concession agreement, with the length of the development lease usually being between 15-20 years with options to extend (usually in 5 year increments, provided that a development lease may not be extended beyond 30 years from the date of commercial discovery). After the development lease is established, the parties will agree on a development and production plan and endeavour to find markets capable of absorbing the production, and the applicable government agency will advise the contractor of the potential outlets for the production with respect to local markets. The contractor will still have the right to explore the concession areas that are not subject to the development lease (and not otherwise subject to relinquishment) on the exploration terms in the concession agreement as outlined above.

Generally, any direct or indirect assignment of a contractor's interest in a concession agreement requires the prior consent of the applicable government agency. The matter must be reviewed on a case by case basis, particularly since the wording of the assignment article has seen several updates over the years as EGPC was updating the model concessions. In recent concession models the wording has become expansive with the addition of "indirect". The law is less clear regarding changes of control and whether a change of control constitutes an "indirect" assignment. EGPC's position on change of control at the contractor level is not clear and the government's treatment of such situations is inconsistent. It is common for transacting parties to seek (even informally) EGPC and the Minister's view to get comfort as to whether a government approval and assignment bonus will be required in connection with the transaction in question. Failure to abide by the applicable assignment requirements could render the assigned title at risk of being terminated by Government and/or EGPC. In addition, the applicable government agency retains a pre-emptive right in conjunction with the application for the assignment to permit the government agency to acquire the interest to be assigned on the same terms and conditions for the transaction in question.

Joint Operating Company

The contractor and the applicable government agency will be required to form a joint operating company ("**JOC**") to operate the commercial discovery that is subject to the development lease. JOCs are established and equally owned by the applicable government agency and the contractor in the form of a joint-stock company, and the charter of the JOC is typically annexed to the concession agreement. If there is more than one contractor that is a shareholder in the JOC, then each contractor will be responsible for its share of the operating costs of the JOC in proportion to its participating interest in the concession agreement. The object of the JOC is essentially to act as the agency through which operations are carried out under the concession agreement. The JOC does not own any right, title or interest in the concession and does not make any profit. The JOC is fully funded by the contractor against cost recovery under the cost recovery regime of the concession. In case of common contractors in two concessions, it is common practice to hold one of the JOCs without employees or active operations and subcontract its work entirely to the other JOC, with both sharing the same owner.

The contractor and the JOC are exempt from custom duties, effective taxes, levies and fees related to the import of machinery, appliances, vehicles, hardware, software and most other items used in operations. However, such exemption does not apply where items of the same or substantially similar kind and quality are manufactured locally and can be procured at comparable prices. Generally, the contractor is subject to Egyptian income tax at the rate of 40.55% and must file returns, assessment of tax and bookkeeping, which are to be grossed up as set out in the concession agreement. In any event, the applicable government agency assumes, pays and discharges, in the name of the contractor, its Egyptian income tax out of its share of the petroleum produced except as set out in the concession agreement.

Cost Recovery and Production Allocation

The concession agreement will set out in detail the distribution of cost recovery for the contractor, including a dedicated annex outlining the accounting procedures for treatment of costs, expenses and taxes under the concession agreement. Typically, the contractor bears all the risks until a commercial discovery is made, and, following which, the JOC is formed. The contractor will then be entitled to recover a certain percentage of its costs related to its historic and ongoing exploration and development activities (usually 25% to 40%) in proportion to its working interest in the concession agreement. These costs may be recovered from the total petroleum production at a rate set out under the concession agreement on a quarterly basis. If the recoverable expenditures exceed the amount recoverable from petroleum production in any period, the unrecovered portion of the expenditures can usually be carried forward to subsequent periods.

Full title to fixed and movable assets that are charged to cost recovery will usually pass from the contractor to the applicable government agency when its total costs have been recovered in accordance with the concession agreement, or at the time of relinquishment of the concession agreement with respect to all assets chargeable to the operations whether recovered or not, whichever occurs earlier.

Environmental Regulation

All persons working in concession areas are legally obligated to comply with the health and safety requirements and industry standards in the course of carrying out their work. The Executive Regulations of the Fuel Material Law sets out examples of the measures that must be taken to this effect, including the required maintenance of operation facilities and machinery equipment, as well as the prevention of accidents such as oil spills.

Environmental issues in Egypt are also governed by Environment Law No. 4/1994, which provides for the creation of the Egyptian Environment Affairs Agency (EEAA). The EEAA formulates general policies and implements plans for the protection of the environment. Such protections include mandatory environmental reviews to be undertaken by the competent administrative authority as part of the approval process for all proposed projects. Non-compliance with environmental obligations will subject the contractor to fines ranging from 300,000 to 1 million Egyptian pounds and potentially imprisonment in particular situations. The EEAA is tasked with enforcing these obligations.

Under the model concession agreements, the movable and immovable assets (other than lands, which become EGAS/EGPC's property as of the purchase thereof) are transferred automatically and gradually from the contractor to EGAS/EGPC, as they become subject to cost recovery pursuant to the cost recovery provisions of the concession. The contractor (through the JOC) only has the right to use such assets for the purpose of petroleum operations under the concession agreement.

Decommissioning of petroleum wells is addressed under the Fuel Material Law and not under the concession. Contractor will need to prepare a decommissioning program for non-producing wells, in accordance with the technical due principles, good oil field practices and accepted petroleum engineering principles and present it to the EGPC for approval. Once EGPC approves the proposed decommissioning program in writing, the contractor may start the decommission process in accordance with such approved decommissioning program. In relation to petroleum wells, the production from which is not economical, the contract will have to prove to EGPC, from a technical and operational perspective, that the production from the relevant well is not economical. IF EGPC acknowledges that the production from the relevant well is not in fact economical, the contractor may start the decommissioning process after obtaining the approval of EGPC in relation to the decommissioning program. EGPC, at its own discretion, has the right to request from the contractor to leave the well as is and not to decommission it if EGPC is of the opinion that such well may be used for any purpose.

Except as disclosed above, there are no explicit statutory provisions or standards set out in the concession agreement form, the Fuel Material law or its executive regulations in relation to timing, cost expectation or provisions for the abandonment and decommissioning duties of the contractor. Such duties are subject to the general obligation on the contractor to perform its duties under the concession agreement in a diligent, safe and efficient manner in accordance with such good and prudent petroleum industry practices and field conservation principles as are generally followed in the international petroleum industry under similar circumstances.

15. Canadian Legislative Framework in Relation to Land Tenure and Royalties and Incentives

Land Tenure

The respective provincial governments (i.e. the Crown), predominantly own the mineral rights to crude oil and natural gas located in Western Canada, with the exception of Manitoba (which owns only 20% of the mineral rights). Provincial governments grant rights to explore for and produce crude oil and natural gas pursuant to leases, licences and permits for varying terms, and on conditions set forth in provincial legislation, including requirements to perform specific work or make payments. The provincial governments in Western Canada's provinces conduct regular land sales where crude oil and natural gas companies bid for leases to explore for and produce crude oil and natural gas pursuant to mineral rights owned by the respective provincial governments. The leases usually have a fixed term; however, a lease may generally be continued after the initial term where certain minimum thresholds of production have been reached, all lease rental payments have been paid on time and other conditions are satisfied.

To develop crude oil and natural gas resources, it is necessary for the mineral estate owner to have access to the surface lands as well. Each province has developed its own process for obtaining surface access to conduct operations that operators must follow throughout the lifespan of a well, including notification requirements and providing compensation for affected persons for lost land use and surface damage.

Each of the provinces of Alberta, British Columbia, Saskatchewan and Manitoba have implemented legislation providing for the reversion to the Crown of mineral rights to deep, non-productive geological formations at the conclusion of the primary term of a lease or licence. Additionally, the provinces of Alberta and British Columbia have shallow rights reversion for shallow, non-productive geological formations for new leases and licences. In addition to Crown ownership of the rights to crude oil and natural gas, private ownership of crude oil and natural gas (i.e. freehold mineral lands) also exists in the provinces of Alberta, British Columbia, Saskatchewan and Manitoba. In each of the provinces of Alberta, British Columbia, Saskatchewan and Manitoba approximately 19%, 6%, 30% and 80%, respectively, of the mineral rights are owned by private freehold owners. Rights to explore for and produce such crude oil and natural gas are granted by a lease or other contract on such terms and conditions as may be negotiated between the owner of such mineral rights and crude oil and natural gas explorers and producers.

Royalties and Incentives

General

Each province has legislation and regulations that govern royalties, production rates and other matters. The royalty regime in a given province is a significant factor in the profitability of oil sands projects and crude oil, natural gas and NGLs production. Royalties payable on production from lands where the Crown does not hold the mineral rights are determined by negotiation between the mineral freehold owner and the lessee, although production from such lands is subject to certain provincial taxes and royalties. Royalties from production on Crown lands are determined by governmental regulation and are generally calculated as a percentage of the value of gross production. The rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date, method of recovery and the type or quality of the petroleum substance produced.

Occasionally the governments of Western Canada's provinces create incentive programs for exploration and development. Such programs often provide for royalty rate reductions, royalty holidays or royalty tax credits and are often introduced when commodity prices are low to encourage exploration and development activity. In addition, such programs may be introduced to encourage producers to undertake initiatives using new technologies that may enhance or improve recovery of crude oil, natural gas and NGLs.

Producers and working interest owners of crude oil and natural gas rights may also carve out additional royalties or royalty-like interests through non-public transactions, which include the creation of instruments such as overriding royalties, net profits interests and net carried interests.

Alberta

In Alberta, the provincial government royalty rates apply to Crown-owned mineral rights. In 2016, Alberta adopted a modernised Alberta royalty framework (the "**Modernised Framework**") that applies to all wells drilled after 1 January 2017. The previous royalty framework (the "**Old Framework**") will continue to apply to wells drilled prior to 1 January 2017 for a period of ten years ending on 31 December 2026. After the expiry of this ten-year period, these older wells will become subject to the Modernised Framework.

The Modernised Framework applies to all hydrocarbons other than oil sands which will remain subject to their existing royalty regime. Royalties on production from non-oil sands wells under the Modernised Framework are determined on a "revenue-minus-costs" basis with the cost component based on a Drilling and Completion Cost Allowance formula for each well, depending on its vertical depth and/or horizontal length. The formula is based on the industry's average drilling and completion costs as determined by the Alberta Energy Regulator (the "**AER**") on an annual basis.

Producers pay a flat royalty rate of 5% of gross revenue from each well that is subject to the Modernised Framework until the well reaches payout. Payout for a well is the point at which cumulative gross revenues from the well equals the Drilling and Completion Cost Allowance for the well set by the AER. After payout, producers pay an increased post-payout royalty on revenues of between 5% and 40% determined by reference to the then current commodity prices of the various hydrocarbons. Similar to the Old Framework, the post-payout royalty rate under the Modernised Framework varies with commodity prices. Once production in a mature well drops below a threshold level where the rate of production is too low to sustain the full royalty burden, its royalty rate is adjusted downward towards a minimum of 5% as the mature well's production declines. As the Modernised Framework uses deemed drilling and completion costs in calculating the royalty and not the actual drilling and completion costs incurred by a producer, low cost producers benefit if their well costs are lower than the Drilling and Completion Cost Allowance and, accordingly, they continue to pay the lower 5% royalty rate for a period of time after their wells achieve actual payout.

The Old Framework is applicable to all conventional crude oil and natural gas wells drilled prior to 1 January 2017 and bitumen production. Subject to certain available incentives, effective from the January 2011 production month, royalty rates for conventional crude oil production under the Old Framework range from a base rate of 0% to a cap of 40%. Subject to certain available incentives, effective from the January 2011 production month, royalty rates for natural gas production under the Old Framework range from a base rate of 5% to a cap of 36%. The Old Framework also includes a natural gas royalty formula which provides for a reduction based on the measured depth of the well below 2,000 metres deep, as well as the acid gas content of the produced gas. Under the Old Framework, the royalty rate applicable to NGLs is a flat rate of 40% for pentanes and 30% for butanes and propane.

Currently, producers of crude oil and natural gas from Crown lands in Alberta are also required to pay annual rental payments, at a rate of C\$3.50 per hectare, and make monthly royalty payments in respect of crude oil and natural gas produced.

Oil sands production is also subject to Alberta's royalty regime. The Modernised Framework did not change the oil sands royalty framework. Prior to payout of an oil sands project, the royalty is payable on gross revenues of an oil sands project. Gross revenue royalty rates range between 1% and 9% depending on the market price of crude oil, determined using the average monthly price, expressed in Canadian dollars, for Western Texas Intermediate crude oil at Cushing, Oklahoma. Rates are 1% when the market price of crude oil is less than or equal to C\$55 per barrel and increase for every dollar of market price of crude oil increase to a maximum of 9% when crude oil is priced at C\$120 or higher. After payout, the royalty payable is the greater of the gross revenue royalty based on the gross revenue royalty rate of between 1% and 9% and the net revenue royalty based on the net revenue royalty rate. Net revenue royalty rates start at 25% and increase for every dollar of market price of crude oil increase above C\$55 up to 40% when crude oil is priced at C\$120 or higher.

The Government of Alberta has from time to time implemented drilling credits, incentives or transitional royalty programs to encourage crude oil and natural gas development and new drilling. In addition, the Government of Alberta has implemented certain initiatives intended to accelerate technological development and facilitate the development of unconventional resources, including as applied to coalbed methane wells, shale gas wells and horizontal crude oil and natural gas wells.

Freehold mineral taxes are levied for production from freehold mineral lands on an annual basis on calendar year production. Freehold mineral taxes are calculated using a tax formula that takes into consideration, among other things, the amount of production, the hours of production, the value of each unit of production, the tax rate and the percentages that the owners hold in the title. On average, in Alberta the tax levied is 4% of revenues reported from freehold mineral title properties. The freehold mineral taxes would be in addition to any royalty or other payment paid to the owner of such freehold mineral rights, which are established through private negotiation.

Freehold and Other Types of Non-Crown Royalties

Royalties on production from privately-owned freehold lands are negotiated between the mineral freehold owner and the lessee under a negotiated lease or other contract.

In addition to the royalties payable to the mineral owners, producers of crude oil and natural gas from freehold lands in each of the Western Canadian provinces are required to pay freehold mineral taxes or production taxes. Freehold mineral taxes or production taxes are taxes levied by a provincial government on crude oil and natural gas production from lands where the Crown does not hold the mineral rights. A description of the freehold mineral taxes payable in each of the Western Canadian provinces is included in the above descriptions of the royalty regimes in such provinces.

A detailed overview of the Canadian oil and gas industry and legislative framework has been included in the Annual Information Form, filed by the Company on 7 March 2018 and available on SEDAR at www.sedar.com.

16. Material Contracts

In addition to the agreements summarised or contained in the Public Record, the following contracts (i) (not being contracts entered into in the ordinary course of business) having been entered into by the Company or any member of the Group in the two years immediately preceding the date of this document or which contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document, or (ii) are subsisting agreements which are included within, or which relate to, the oil and gas assets and liabilities of the Company or other members of the Group (notwithstanding whether such agreements are within the ordinary course or were entered into outside of the two years immediately preceding the publication of this document) and are, or may be material.

Relating to Admission

Nominated Adviser and Broker Agreement

Pursuant to a Nominated Adviser and Broker Agreement dated 1 June 2018 between Canaccord and the Company (the “**Nominated Adviser Agreement**”), the Company appointed Canaccord to act as nominated adviser with effect from Admission on an ongoing basis as required by the AIM Rules and as broker to the Company. The agreement contains certain undertakings and indemnities given by the Company in respect of, inter alia, compliance with all applicable laws and regulations. The Company agreed to comply with its legal obligations and those of AIM and the London Stock Exchange and to consult and discuss with Canaccord all of its announcements and statements and to provide Canaccord with any information Canaccord believes is necessary to enable it to carry out its obligations to the Company or the London Stock Exchange as Nominated Adviser. Pursuant to these arrangements, Canaccord has agreed, inter alia, to provide such independent advice and guidance to the Directors as they may require to ensure compliance by the Company on a continuing basis with the AIM Rules. The Nominated Adviser Agreement may be terminated on three months’ notice given by either party following Admission, unless otherwise previously terminated for reason prior to such date in accordance with the terms of the Nominated Adviser Agreement.

In addition, the Company has undertaken to Canaccord and any other nominated adviser from time to time, that the Company will observe the restrictions on issuance of Common Shares and related securities as set out in paragraph 7 above of this Part III, under the heading “Pre-emption Rights”.

Introduction Agreement

The Company entered into an Introduction Agreement with Canaccord dated 1 June 2018 pursuant to which Canaccord has agreed to provide advice and assistance to the Company in seeking Admission and the London Stock Exchange’s requirements in connection with the same. Subject to customary conditions, including Admission becoming effective on or before 8:00 a.m. on 29 June 2018 (or such later date as Canaccord and the Company may agree, being not later than 5:00 p.m. on 31 July 2018), being satisfied or waived, Canaccord will use its reasonable endeavours to assist the Company to obtain Admission. The Company has given certain customary undertakings, warranties and indemnities to Canaccord under this agreement.

Joint Broker Agreement

The Company entered into a broker agreement with GMP FirstEnergy dated May 31 2018, pursuant to which GMP FirstEnergy was appointed as the Company’s corporate broker with effect from Admission. In consideration of its services to the Company, GMP FirstEnergy will receive an annual retainer of £50,000 following Admission. The appointment of GMP FirstEnergy is for an initial term of 12 months, following which it may be terminated by either party by giving a three months’ notice in writing.

Agreements Relating to the Group's Assets in Egypt

Summary of PSC Terms

All of the Group's blocks in Egypt are PSCs among EGPC, the host government and the contractor. EGPC and the contractor take their share of production based on the terms and conditions of the respective contracts. The contractor is not required to pay any taxes (excluding income taxes) duties, levies or imposts on petroleum. The PSCs provide for the government to receive a 10% gross royalty on gross production of petroleum, which is borne and paid entirely by EGPC from its share of production.

The contractor is required to initially bear the costs of exploration, development, and operations. A specified portion of production is then dedicated as cost recovery petroleum which the contractor can recover eligible exploration, development and operation costs. The remainder of production, cost sharing petroleum, is allocated between the parties in the proportion specified in the specific PSC. If the value of cost recovery petroleum exceeds the actual costs to be recovered by the contractor, the excess is shared between EGPC and the contractor as defined in the specific PSCs. Each PSC is treated individually in respect of cost recovery and production sharing purposes.

The following tables summarise the Company's Egypt PSC terms for the various tranches of production for each block. The government's share of production increases and the contractor's share of production decreases as the production volumes go to the next production tranche.

Eastern Desert Egypt

Block	West Gharib	West Bakr	NW Gharib
Oil Production Tranches (Mbb/d)	0-5 / 5-10 / 10-15 / 15-25 / 25-50 / 50-100 / >100	0-50 / 50-70 / >70	0-5 / 5-10 / >10
Gas Production Tranches (MMSCFD)	0-5 / 5-10 / 10-15 / 15-25 / >25	N/A	0-50 / >50
Max. cost recovery petroleum	30%	30%	25%
Excess cost recovery petroleum			
Contractor allocation	30%	0%	5%
Depreciation per quarter			
Operating	100%	100%	100%
Capital	6.25%	5%	5%
Production Sharing Oil:			
Contractor	30% for first tranche, decreasing by 2.5% for each successive tranche	15%	15.0% / 14.5% / 14.0%

Block	West Gharib	West Bakr	NW Gharib
EGPC	70% for first tranche, increasing by 2.5% for each successive tranche	85% / 87% ⁶	85% / 85.5% / 86%
Production Sharing Gas:			
Contractor	35% for first tranche, decreasing by 5% for each successive tranche	N/A	25% / 20%
EGPC	65% for first tranche, increasing by 5% for each successive tranche	N/A	75% / 80%

Western Desert Egypt

Block	South Alamein	South Ghazalat	NW Sitra
Oil Production Tranches (Mbbbl/d)	0-5 / 5-10 / 10-25 / >25	0-5 / 5-10 / >10	0-5 / 5-10 / 10-15 / 15-25 / >25
Gas Production Tranches (MMSCFD)	0-25 / 25-50 / 50-125 / >125	0-50 / >50	0-50 / >50
Max. cost recovery petroleum	30%	25%	28%
Excess cost recovery petroleum			
Contractor allocation	0%	5%	10%
Depreciation per quarter			
Operating	100%	100%	100%
Capital	5%	5%	5%
Production Sharing Oil:			

⁶ Under the West Bakr PSC, if production exceeds 70 Mbbbl/d, production is allocated 87% to EGPC and 13% to the contractor for all production back to the first barrel (i.e. all production from 0 to 50 Mbbbl/d will also be allocated 87% to EGPC and 13% to the contractor)

Block	South Alamein	South Ghazalat	NW Sitra
Contractor	14% for first tranche, decreasing by 0.5% for each successive tranche	17% / 16.5% / 16%	24% for first tranche, decreasing by 1% for each successive tranche
EGPC	86% for first tranche, increasing by 0.5% for each successive tranche	83% / 83.5% / 84%	76% for first tranche, increasing by 1% for each successive tranche
Production Sharing Gas:			
Contractor	14% for first tranche, decreasing by 0.5% for each successive tranche	75% / 80%	72% / 75%
EGPC	86% for first tranche, increasing by 0.5% for each successive tranche	25% / 20%	28% / 25%

The West Bakr PSC contains rights on the part of EGPC to take in kind up to 100% of excess cost recovery oil for operating requirements of refineries. The value of cost recovery oil under the West Gharib PSC is equal to the weighted average price of actual sales by EGPC or the contractor – whichever is greater. None of the Egyptian PSCs contain minimum production or sales requirements, and there are no restrictions with respect to pricing of the Company's sales volumes.

The NW Sitra, South Ghazalat, South Alamein, NW Gharib and West Bakr PSCs all contain rights on the part of EGPC to take in kind up to 100% of its share of cost recovery petroleum, and EGPC also has a preferential right to purchase the contractor's share of production sharing petroleum in US dollars at the market price to meet the requirements of the Egyptian market.

Further information regarding the Company's Egyptian PSCs is set out below.

West Gharib

The Company, through its subsidiary TransGlobe West Gharib Inc., is the successor in interest to a Concession Agreement for Petroleum Exploration and Exploitation dated 1 June 1998 among the Arab Republic of Egypt, EGPC, Dublin International Petroleum (Egypt) Limited and the Tanganyika Oil Company Ltd in respect of the West Gharib area located in the Eastern Desert of Egypt. The Group acquired a 100% contractor interest in the West Gharib PSC through a series of transactions in 2007 and 2008. TransGlobe West Gharib Inc. is the contractor.

The exploration period under the West Gharib PSC has expired, and the concession is currently in the development phase.

Development Leases

Nine development leases have been entered into pursuant to the West Gharib PSC and following relinquishment of four development leases, five development leases remain, namely:

- i. the West Gharib Development Lease (initially expiring 27 December 2019);
- ii. the Hoshia Development Lease (initially expiring 22 June 2025);
- iii. the West Hoshia Development Lease (initially expiring 14 October 2026);
- iv. the Arta Development Lease (initially expiring 14 October 2026); and
- v. the East Arta Development Lease (initially expiring 25 August 2027) (together the "**West Gharib Development Leases**").

The West Gharib Development Leases are valid for a period of 20 years extendable for an additional period of five years.

Principal Fiscal Terms

The principal fiscal terms of the West Gharib PSC are as set out above.

Additionally, there are certain bonuses which shall be paid by the contractor to EGPC under the concession, namely:

- i. signature bonus of US\$ 750,000;
- ii. US\$2 million if total average daily production of petroleum reaches 25,000 bbl/d or equivalent for 30 consecutive days;
- iii. US\$3 million if total average daily production of petroleum reaches 50,000 bbl/d or equivalent for 30 consecutive days; and
- iv. US\$5 million if total average daily production of petroleum reaches 100,000 bbl/d or equivalent for 30 consecutive days.

West Bakr

The Company, through its subsidiary, TransGlobe West Bakr Inc., is the successor in interest to a Concession Agreement for Petroleum Exploration and Exploitation dated 16 June 1975 among the Arab Republic of Egypt, EGPC and the Egyptian Petroleum Development Co., Ltd. ("**EPEDECO**") in respect of the West Bakr area located in the Eastern Desert of Egypt. The Company acquired a 100% contractor interest in the West Bakr Concession from EPEDECO in 2011. TransGlobe West Bakr Inc. is the contractor.

The exploration period under the West Bakr PSC has expired, and the concession is currently in the development phase.

Development Leases

Three development leases have been entered into pursuant to the West Bakr PSC and following relinquishment of one development lease, two development leases remain namely:

- i. the Block H Development Lease (initially expiring 19 April 2020); and
- ii. the Block K Development Lease (initially expiring 19 April 2020), (together the "**West Bakr Development Leases**").

The West Bakr Development Leases were initially for a period of 20 years. In 2005 the West Bakr Development Leases were extended to 2020 with an additional period of five years available.

Principal Fiscal Terms

The principal fiscal terms of the West Bakr PSC are as set out above.

Additionally, there are certain bonuses which shall be paid by the contractor to EGPC under the concession, namely:

- i. signature bonus of US\$3 million;
- ii. US\$2 million if total average daily production of petroleum reaches 50,000 bbl/d or equivalent for 30 consecutive days;
- iii. US\$4 million if total average daily production of petroleum reaches 100,000 bbl/d or equivalent for 30 consecutive days; and
- iv. US\$6 million if total average daily production of petroleum reaches 150,000 bbl/d or equivalent for 30 consecutive days.

Unitization Agreement

The previous contractor for West Bakr entered into a series of unitization agreements with General Petroleum Company (**GPC**) on 9 August 2004 and after pursuant to which the parties agreed to unitize the South H field pool with the effect that the contractor for West Bakr is entitled to 90% of the production from such pool and GPC is entitled to the balance.

NW Gharib

The Company, through its subsidiary TG NW Gharib Inc., holds a 100% contractor interest in a Concession Agreement for Petroleum Exploration and Exploitation dated 7 November 2013 originally among the Company, the Arab Republic of Egypt and EGPC in respect of the Northwest Gharib onshore area located in the Eastern Desert of Egypt. The NW Gharib concession was assigned from the Company to TG NW Gharib Inc. in December 2013.

The NW Gharib Concession has an initial exploration period of three years, which would have expired on 7 November 7 2016 but was extended to 7 May 2017. During the initial three year term, TG NW Gharib Inc. had a commitment to spend US\$35 million on exploration, which was to include the acquisition of 200 square kilometres of 3D seismic data, and drilling 30 wells, which obligations were met. TG NW Gharib Inc. elected not to exercise the extension periods of the exploration period and relinquished all lands not covered under the development leases, which are referred to below.

Development Leases

Four development leases have been entered into pursuant to the NW Gharib PSC, namely:

- i. the Northwest Gharib-1 Development Lease (initially expiring 7 December 2036);
- ii. the Northwest Gharib-2 Development Lease (initially expiring 18 September 2037);
- iii. the Northwest Gharib-3 Development Lease (initially expiring 18 September 2037); and
- iv. the Northwest Gharib-4 Development Lease (initially expiring 18 September 2037) (together the "**NW Gharib Development Leases**").

The NW Gharib Development Leases are valid for a period of 20 years extendable for an additional period of five years.

Principal Fiscal Terms

The principal fiscal terms of the NW Gharib PSC are as set out above.

Additionally, there are certain bonuses which shall be paid by the contractor to EGPC under the concession, namely:

- i. signature bonus of US\$25 million;
- ii. US\$100,000 per development block approved under a development lease;
- iii. US\$5 million upon approval of a five year development lease extension;
- iv. US\$1 million if total average daily production of petroleum reaches 3,000 bbl/d or equivalent for 30 consecutive days;
- v. US\$2 million per milestone if total average daily production of petroleum reaches 10,000, 25,000 and 100,000 bbl/d or equivalent for 30 consecutive days; and
- vi. US\$100,000 at the beginning of every financial year during the exploration period as a training bonus for EGPC employees; and
- vii. US\$500,000 if TG NW Gharib Inc. assigns all or a portion of its rights to an affiliate.

South Alamein

The Company, through its subsidiaries, TG South Alamein Inc. and TG South Alamein II Inc., is the successor in interest to a Concession Agreement for Petroleum Exploration and Exploitation dated 5 April 2007 among the Arab Republic of Egypt, EGPC and Compañía Española de Petróleos, S.A. ("**CEPSA**") in respect of the South Alamein area located in the Western Desert of Egypt. The Company acquired a 100% interest in the South Alamein Concession through a series of transactions in 2012. TG South Alamein II Inc. is the contractor, while TG South Alamein is the non-operator contractor member.

The South Alamein Concession had an initial exploration period of three years, which expired on 5 April 2010, with the ability to extend for two additional periods of two years each at the option of CEPSA and its successors. During the initial three year term, the contractor had a commitment to spend US\$ 20 million on exploration, which was to include the acquisition of 2D and 3D seismic data, and drilling two wells including one deep well. During the first extension period, the contractor was required to spend an additional US\$9 million on exploration, including the drilling of two additional wells, and during the second extension period, the contractor was required to spend an additional US\$7 million, including the drilling of two additional wells. All work commitments in the exploration phase have been fulfilled. After the initial three year term, the contractor was required to relinquish 30% of the concession area that had not been converted into a development lease. An additional 25% of the concession area that had not been converted into a development lease was required to be relinquished at the end of the first extension period with the remaining area that has not been converted into a development lease to be relinquished at the end of the second extension period. No development leases have yet been granted.

The South Alamein concession is currently in the second extension period, which expires on 26 June 18. The Group requested an extension on 28 March 2018.

Principal Fiscal Terms

The principal fiscal terms of the South Alamein PSC are as set out above.

Additionally, there are certain bonuses which shall be paid by the contractor to EGPC under the concession, namely:

- i. signature bonus of US\$6 million;
- ii. US\$500,000 per approved development lease;
- iii. US\$5 million upon approval of a five year development lease extension;
- iv. US\$500,000 if total average daily production of petroleum reaches 5,000 bbl/d or equivalent for 30 consecutive days;
- v. US\$1 million if total average daily production of petroleum reaches 10,000 bbl/d or equivalent for 30 consecutive days;
- vi. US\$1.5 million if total average daily production of petroleum reaches 25,000 bbl/d or equivalent for 30 consecutive days; and
- vii. US\$2 million per milestone if total average daily production of petroleum reaches 10,000, 25,000 and 100,000 bbl/d or equivalent for 30 consecutive days.

South Ghazalat

The Company, through its affiliate, TG S Ghazalat Inc. holds a 100% interest, initially acquired by the Company, in a Concession Agreement for Petroleum Exploration and Exploitation dated 7 November 2013 originally among the Arab Republic of Egypt, EGPC and the Company in respect of the South Ghazalat area located in the Western Desert of Egypt.

The South Ghazalat concession had an initial exploration period of three years, which expired on 7 November 2016, with the ability of the contractor to extend it for two additional periods of two years each at the contractor's option. The contractor elected to exercise the first extension, which is due to expire on 7 November 2018. During the initial three year term, the contractor had a commitment to spend US\$8 million on exploration, which was to include the acquisition of 400 square kilometres of 3D seismic data, and drilling two wells. The contractor met its financial commitment in the initial exploration period and was permitted to carry forward its commitment to drill two wells into the first extension period. The contractor has fulfilled its financial commitment for the first extension period. Amounts spent and wells drilled by the contractor in excess of the requirements for a period of the exploration phase can be carried over to any succeeding period (if applicable).

If the contractor extends the exploration period for the second extension period, it will be required to provide a letter of guaranty in the amount of US\$4 million to guarantee its exploration obligations during the second extension period. No development leases have yet been granted. If a commercial discovery of petroleum is not made by the end of the seventh year, the South Ghazalat concession will terminate.

After the initial three year term, the contractor was required to relinquish 25% of the concession area that had not been converted into a development lease. An additional 25% of the concession area that has not been converted into a development lease is required to be relinquished at the end of the first extension period with the remaining area that has not been converted into a development lease to be relinquished at the end of the second extension period. The contractor will not be required to relinquish any area where a commercial oil or gas well is present. If the contractor is in the process of drilling or testing a well, it will be granted an extension of up to six months to enable it to discover commercial oil or gas.

Principal Fiscal Terms

The principal fiscal terms of the South Ghazalat concession are as set out above. Additionally, there are certain bonuses which shall be paid by the contractor to EGPC under the concession, namely:

- i. signature bonus of US\$ 5.2 million;
- ii. US\$ 100,000 per approved development lease;
- iii. US\$5 million upon approval of a five year development lease extension;
- iv. US\$ 2 million if total average daily production of petroleum reaches 3,000 bbl/d or equivalent or equivalent for 30 consecutive days;
- v. US\$1 million if total average daily production of petroleum reaches 5,000 bbl/d or equivalent for 30 consecutive days;
- vi. US\$2 million per milestone if total average daily production of petroleum reaches milestones of 10,000, 25,000, and 100,000 bbl/d or equivalent for 30 consecutive days;
- vii. US\$100,000 at the beginning of every financial year during the exploration period as a training bonus for EGPC employees; and
- viii. US\$500,000 if the contractor assigns all or a portion of its rights to an affiliate.

NW Sitra

The Company, through its subsidiary, TransGlobe Petroleum Egypt Inc., holds a 100% interest in a Concession Agreement for Petroleum Exploration and Exploitation dated January 8, 2015 among the contractor, the Arab Republic of Egypt and EGPC in respect of the Northwest Sitra Area located in the Western Desert of Egypt.

The NW Sitra Concession has an initial exploration period of three and a half years which will expire on 1 July 2018, with the ability to extend for an additional period of three and a half years at the contractor's option. During the initial three and a half year term, the contractor has a commitment to spend US\$10 million on exploration, which is to include the acquisition of 300 square kilometres of 3D seismic data, and the drilling of two wells. As of 25 May 2018 the contractor has acquired 600 square kilometres of 3D seismic and spent US\$4.9 million towards its commitment. The Company plans to drill two wells in June 2018, and if either well is being drilled or tested at the end of the initial exploration period, the Company may receive an extension of such period of up to six months. During the first extension period, if applicable, the contractor will be required to spend an additional US\$6 million on exploration, including on the drilling of two additional wells. Amounts spent and wells drilled by the contractor in excess of the requirements for the initial period can be carried over to the extension period. If the contractor surrenders its exploration rights before or at the end of the initial exploration period or the extension period without having spent the required amount, it shall be obligated to pay to EGPC the unspent balance of its commitments. If a commercial discovery of petroleum is not made by the end of the seventh year, the NW Sitra concession will terminate.

If the contractor extends the exploration period, it will be required to provide a letter of guaranty in the amount of US\$6 million to guarantee its exploration obligations during the extension period. No development leases have yet been granted.

After the initial three and a half year term, the contractor is required to relinquish 30% of the concession area that has not been converted into a development lease, with the remaining area that has not been converted into a development lease to be relinquished at the end of the first extension period. The contractor shall not be required to relinquish any area where a commercial oil or gas well is present. If the contractor is in the process of drilling or testing a well, it will be granted an extension of up to six months to enable it to discover commercial oil or gas.

Principal Fiscal Terms

The principal fiscal terms of the NW Sitra concession are as set out above.

Additionally, there are certain bonuses which shall be paid by the contractor to EGPC under the concession, namely:

- i. signature bonus of US\$ 2 million;
- ii. US\$ 100,000 per approved development lease;
- iii. US\$5 million upon approval of a five year development lease extension;
- iv. US\$ 500,000 per milestone if total average daily production of petroleum reaches 3,000, 5,000, and 10,000 bbl/d or equivalent for 30 consecutive days;
- v. US\$ 1 million if total average daily production of petroleum reaches 25,000 and 100,000 bbl/d or equivalent for 30 consecutive days;
- vi. \$100,000 at the beginning of every financial year during the exploration period as a training bonus for EGPC employees;
- vii. US\$ 100,000 at the beginning of every financial year during the development period as a training bonus for EGPC employees; and
- viii. US\$ million if the contractor assigns all or a portion of its rights to an affiliate.

17. Related Party Transactions

The Company has not entered into any related party transactions of the kind set out in the standards adopted according to the Regulation (EC) No. 1606/2002 during the period covered by the historical financial information and up to the date of this document.

18. Working Capital

The Directors have no reason to believe that the working capital available to the Group will be insufficient for at least 12 months from the expected date of Admission.

19. No Significant Change

Other than has been disclosed in the Public Record, there has been no significant change in the financial or trading position of the Group since the end of the financial year ended 31 December 2017. The unaudited condensed consolidated interim financial statements of the Group for the three months ended 31 March 2018 can be found under the Company's SEDAR profile at www.sedar.com.

20. Financial Information

The audited consolidated financial information relating to the Group for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 can be found under the Company's SEDAR profile at www.sedar.com.

21. Litigation

The Group has not been involved in any governmental, legal or arbitration proceedings in the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the Group's financial position or profitability nor, so far as the Directors are aware, are any such proceedings pending or threatened by or against the Group.

22. Intellectual Property etc.

The Company is not dependent on any patents, intellectual property licences, industrial, commercial or financial contracts or new manufacturing processes which have a material effect on the Company's business or profitability.

23. Premises

Save as disclosed in this document, the Company is not aware of any material environmental issues or risks affecting the utilisation of the Group's tangible fixed assets or its operations.

24. CREST and Depositary Interests

Deed Poll

On 31 May 2018 the Deed Poll was executed by the Depositary. The Depositary Interests will be created pursuant to and issued on the terms of the Deed Poll.

The Deed Poll is executed by the Depositary, in favour of the holders of the Depositary Interests from time to time. Prospective holders of Depositary Interests should note that they will have no rights against Euroclear or its subsidiaries in respect of the underlying Common Shares or the Depositary Interests representing them. Common Shares will be transferred to an account of the Depositary or its nominated custodian (the "**Custodian**") and the Depositary will issue Depositary Interests to participating members.

In summary, the Deed Poll contains, amongst other things, provisions to the following effect:

- the Depositary will hold (itself or through the Custodian), as bare trustee, the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities for the time being held by the Depositary or Custodian pertaining to the Depositary Interests for the benefit of the holders of the Depositary Interests. The Depositary will re-allocate securities or distributions allocated to it or the Custodian pro rata to the Common Shares held for the respective accounts of the holders of Depositary Interests but will not be required to account for fractional entitlements arising from such re-allocation;
- holders of Depositary Interests warrant, amongst other things, that the securities in the Company transferred or issued to the Depositary or Custodian for the account of the Depositary Interest holder are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Articles or By-Laws or any contractual obligation, or applicable law or regulation binding or affecting such holder;

- the Depositary and any Custodian must pass on to Depositary Interest holders, or exercise on their behalf, all rights and entitlements received by the Depositary or the Custodian in respect of the underlying securities. Rights and entitlements to cash distributions, to information, to make choices and elections and to attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form which they are received, together with amendments and additional documentation necessary to effect such passing-on, or exercised in accordance with the Deed Poll. If arrangements are made which allow a holder to take up rights in the Company's securities requiring further payment, the holder must put the Depositary or its appointed agent in cleared funds before the relevant payment date or other date notified by the Depositary if it wishes the Depositary to exercise such rights;
- the Depositary will be entitled to cancel Depositary Interests and treat the holders as having requested a withdrawal of the underlying securities in certain circumstances including where a Depositary Interest holder fails to furnish to the Depositary such certificates or representations as to material matters of fact, including his identity, as the Depositary deems appropriate;
- the Deed Poll contains provisions excluding and limiting the Depositary's liability to a maximum of £5 million. For example, the Depositary shall not be liable to any Depositary Interest holder or any other person for liabilities in connection with the performance or non- performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any Custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use of such Custodian or agent;
- the Depositary is entitled to charge holders of Depositary Interests fees and expenses for the provision of its services under the Deed Poll;
- the holders of Depositary Interests are required to agree and acknowledge with the Depositary that any transfer of Depositary Interests by them which is identified by the CREST system as exempt from stamp duty reserve tax is so exempt, and to notify the Depositary if this is not the case, and to pay to Euroclear any SDRT, and any interest, charges or penalties arising from non-payment of stamp duty reserve tax in respect of such transaction;
- the Depositary is entitled to make deductions from any income or capital arising from the underlying securities, or to sell such underlying securities and make deductions from the sale proceeds therefrom, in order to comply with its obligations to account for any tax liability in respect of such securities;
- the Depositary may terminate the Deed Poll by giving 30 days' prior notice to the holders of the relevant Depositary Interests. During such notice period holders are entitled to cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination, the Depositary must, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant Depositary Interest holders or, at its discretion, sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll pro rata to holders of Depositary Interests in respect of their Depositary Interests; and

- the Depositary may require from any holder or former or prospective holder information as to the capacity in which Depositary Interests are or were owned and the identity of any other person with or previously having any interest in such Depositary Interests and the nature of such interest and evidence or declarations of nationality or residence of the legal or beneficial owners of Depositary Interests and such information as is required for the transfer of the relevant Common Shares to the holders. Holders agree to provide such information requested and consent to the disclosure of such information by the Depositary or Custodian to the extent necessary or desirable to comply with their legal or regulatory obligations. Furthermore, to the extent that the Company's constitutional Documents require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of the Company's securities, the holders of Depositary Interests are to comply with the Company's instructions with respect thereto.

It should also be noted that holders of Depositary Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of the Common Shares including, for example, the ability to vote on a show of hands. In relation to voting, it will be important for holders of Depositary Interests to give prompt instructions to the Depositary to vote the underlying shares on their behalf.

Depositary Services Agreement

The Company has entered into a depositary services agreement dated 31 May 2018 between the Company and the Depositary (the "**Depositary Agreement**"). The Depositary Agreement relates to the Depositary's appointment as depositary in relation to the Common Shares, including the issue and cancellation of Depositary Interests and maintaining the Depositary Interests register. The Company has agreed to indemnify the Depositary in relation to losses suffered by the Depositary in the connection with its performance of the agreement which would include any claim made by any Depositary Interest holder against the Depositary.

The Depositary's liability under the agreement is limited to a maximum of two times the amount of fees payable to the Depositary in any 12 month period. The Depositary Agreement is for an initial term of three years after which it is terminable by either party with 6 months' notice.

25. Employees

The Group employs approximately: one student employee; 78 staff contract, field or temporary employees, and five Company officers as at 31 May 2018. The Group also hires consultants from time to time.

26. General

No exceptional factors have influenced the Company's activities. Except as disclosed in this document, there have been no significant authorised or contracted capital commitments at the date of publication of this document. The expenses of Admission are estimated at £1,009,745 and are payable by the Company.

The Company confirms that, following due and careful enquiry, it has adhered to the legal and regulatory requirements involved in having its existing Common Shares listed on the TSX and NASDAQ (save for as set out below).

The Company notes that certain documents pertaining to a meeting of holders of the Corporation's 6.0% convertible unsecured subordinated debentures (the "**Debentures**") held in Canada on 17 October 2016 at which such holders approved certain amendments to the trust indenture pertaining to the Debentures, were previously publicly disseminated by the Company and filed on SEDAR but were not subsequently "promptly" filed via EDGAR under cover of Form 6-K, as required by the applicable SEC rules (the "**Late Filings**"). The Company notes that the Late Filings were filed on EDGAR on 25 May 2018.

The Company further notes that an amendment dated 17 November 2017 to the crude oil prepayment agreement entered into between TPI and Mercuria Energy Trading SA, dated 10 February 2017, was not filed on SEDAR within the applicable time frame required by applicable Canadian securities laws. Such amendment was filed on SEDAR on 28 May 2018.

Copies of all documents or announcements which the Company has made public over the last two years (in consequence of the Company being a reporting issuer in certain provinces in Canada) are available under the Company's profile on SEDAR at: www.sedar.com and/or the Company's website: www.trans-globe.com.

Except as stated in this document, below and for the advisers named on pages beginning at 15 of this document and trade suppliers, no person has received, directly or indirectly, from the Company within the 12 months preceding the date of this document or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more or any other benefit with a value of £10,000 or more at the date of Admission.

Payee	Aggregate Payments
London Court of International Arbitration	US\$18,132
International Chamber of Commerce	US\$80,049
<i>International Court of Arbitration</i>	
JSS Barristers	US\$20,680
Scotia Capital Inc.	US\$35,227
	US\$154,088

The following sets out payments made to governmental and regulatory authorities or similar bodies by the Group or on its behalf for the acquisition or maintenance of its oil and gas assets since 1 January 2015.

Government entity	Aggregate Payments
Government of Egypt	US\$367,990,000
Government of Yemen	US\$320,000
Government of Alberta	US\$2,230,000
Alberta Petroleum Marketing Corporation	US\$650,000

Canaccord has given and not withdrawn its written consent to the issue of this document with references to its name in the form and context in which they appear.

GMP FirstEnergy has given and not withdrawn its written consent to the issue of this document with references to its name in the form and context in which they appear.

The Competent Person has given and not withdrawn its written consent to the issue of this document with the inclusion in it the Competent Person's Report and references to its name in the form and context in which they appear.

Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Company's accounting reference date is 31 December.

Dated: 1 June 2018.