



Policy on Trading in Securities by

Directors, Officers, Employees and Consultants

Purpose

The purpose of this Policy is to ensure (a) compliance with provincial securities laws governing trading in securities of Cequence Energy Ltd. (the "Corporation") while in possession of material non-public information concerning the Corporation, and tipping or disclosing material non-public information to outsiders; and (b) avoidance of embarrassment by preventing the appearance of improper trading or tipping.

In conjunction with regulatory requirements, it is the policy of the Corporation that, once a person becomes an insider (as defined in applicable securities legislation), his or her security holdings in the Corporation, and any change therein, must be reported to the appropriate securities commissions. The responsibility for compliance with insider reporting obligations rests with the insiders and not with the Corporation. However, the Corporation has an interest in monitoring the holdings of its insiders and ensuring that insider holdings are accurately reported, as the identity of insiders and the size of their holdings may be relevant in determining whether the Corporation is permitted, under applicable securities laws and stock exchange rules, to undertake certain corporate transactions.

Scope

- This policy covers all directors, officers, employees and consultants of the Corporation, except the sections entitled "Insiders" and "Reporting by Insiders" which apply only to insiders of the Corporation. Directors, officers, employees and consultants are responsible for ensuring compliance by their families and other members of their households.
- This policy applies to any transactions in any securities of the Corporation, including options, warrants, preferred shares and debentures, as well as exchange-traded options or other derivative securities that are not issued by the Corporation but are based on securities of the Corporation.
- This policy applies not only to the securities of the Corporation which a director, officer, employee or consultant owns, but also those over which control or direction is exercised (for example as a trustee or executor of an estate) and also to the securities of the Corporation that are indirectly owned (for example by a corporation controlled by a director, officer, employee or consultant).
- These procedures may be changed or other procedures adopted in the future by the board of directors as considered appropriate in order to carry out the purposes of this policy.

Insiders

Insiders of the Corporation are subject to a higher standard of scrutiny and disclosure requirements than other people who may trade in securities of the Corporation. In particular:

- insiders must advise the President and Chief Executive Officer (the "CEO") of their intention to change his or her direct or indirect beneficial ownership of, or control over, securities of the Corporation prior to initiating any such transaction; and

- insiders should contact the President and CEO or the Vice President, Finance and Chief Financial Officer (the "CFO") when considering a transaction in securities of the Corporation to ensure that there is no material non-public information which has not been widely disseminated.

Any questions concerning your status as an insider of the Corporation should be directed to either the CFO or the Corporate Secretary.

Reporting by Insiders

Initial Reports

An initial report must be filed within ten days of the date on which a person or corporation becomes an insider. An initial report is not required, however, when a person becomes an insider if he or she has no direct or indirect beneficial ownership, control or direction over securities of the Corporation.

Changes in Beneficial Ownership

Pursuant to applicable securities laws, a person or corporation who is an insider must report any changes in his or her direct or indirect beneficial ownership of, or control or direction over, securities of the Corporation within five days of the date such change takes place.

Options, Warrants and Financial Instruments

Insiders are reminded that the grant of an option, or the exercise of an option or warrant gives rise to reporting obligations and an insider report must be filed with respect to these matters within five days of the date such transaction takes place.

In addition, the reporting obligation also extends to related financial instruments which includes agreements, arrangements or understandings that have the effect of altering, directly or indirectly, the insider's economic interest in or exposure to Corporation such as derivative transactions, equity swaps, hedging transactions, equity monetization transactions, futures contracts, options, stock based compensation instruments (including phantom stock units, stock appreciate rights, restricted share awards, deferred share units and performance share units, even if exclusively cash settled) and debt instruments for which all or part of the amount payable is determined by reference to the price, value or level of a security of the Corporation

Filing

Insiders of the Corporation are required to use the System for Electronic Disclosure by Insiders ("SEDI") for reporting insider trades. Reporting through SEDI can be completed by insiders themselves through the internet or through an agent, such as the Corporation's legal counsel, Norton Rose Fulbright Canada LLP. Insiders are referred to the internet website for SEDI at www.sedi.ca. As well, insiders are encouraged to contact Norton Rose Fulbright Canada LLP with respect to any questions about filing through the SEDI system.

Definition of "Material Non-Public Information"

Material Information

Securities legislation and this policy make frequent reference to material information. In this policy, information about the Corporation is "material" if it would be expected to affect the investment decisions of a reasonable shareholder or investor, or if the information would reasonably be expected to significantly affect the market price of securities of the Corporation. Both positive and negative information may be

material. The following are some examples of types of information that would ordinarily be considered material:

- financial performance, especially quarterly and year-end earnings, and significant changes in financial performance or liquidity;
- company projections and strategic plans;
- potential mergers and acquisitions;
- public or private securities/debt offerings; and
- actual or threatened litigation, or the resolution of such litigation.

Non-public Information

Material information is "non-public" if it has not been widely disseminated to the public through a major newswire service. For the purposes of this policy, information will be considered public; i.e., no longer non-public, after the close of trading on the first full trading day following public release of the information.

If you are unsure whether the information that you possess is material or non-public, please consult the CEO or the CFO before trading in any securities of the Corporation.

Statement of Corporate Policy and Procedures

Prohibited Activities

- No insider, employee or consultant may trade in securities of the Corporation while in possession of material non-public information concerning the Corporation.
- No insider, employee or consultant may trade in securities of the Corporation outside of the "trading windows" described below, or during any designated special trading blackout periods.
- No insider, employee or consultant may disclose material non-public information concerning the Corporation to any outside person (including family members, analysts, individual investors and members of the investment community and news media) unless necessary in the course of business. In any instance where such information is disclosed to outsiders, the outsider should be advised that they must not disclose the information to anyone else, other than in the necessary course of business, and they may not trade in securities of the Corporation until the information has been generally disclosed.
- No insider, employee or consultant may give trading advice of any kind about the Corporation to anyone while possessing material non-public information about the Corporation, except that insiders, employees and consultants should advise others not to trade if doing so might violate the law or this policy.
- No insider, employee or consultant may (a) trade in securities of any other public company while possessing material non-public information concerning that company; (b) "tip" or disclose material non-public information concerning any other public company to anyone; or (c) give trading advice of any kind to anyone concerning any other public company while possessing material non-public information about that company that such insider, employee or consultant learned in the course of their service to the Corporation.

- In order to avoid possible inadvertent conflict with this policy, it is recommended that, outside of any stock option or employee share ownership plans, no insider, employee or consultant leave with a broker any outstanding sell or purchase orders.

Definition of "Blackout Period" and "Trading Window"

A "blackout period" is any time where an insider, employee or consultant is restricted by the terms of this policy or applicable securities law from trading in securities of the Corporation. Alternatively, a "trading window" is the period of time between blackout periods where an insider, employee or consultant is not restricted by the terms of this policy or applicable securities law from trading in securities of the Corporation.

Designation of Blackout Periods

The Corporation will use reasonable efforts to notify insiders, employees and consultants by e-mail when a general blackout period is in effect. However, it is the obligation of every insider, employee or consultant to ensure, prior to effecting a trade, that a blackout period is not in effect or such person is not otherwise restricted from trading in securities of the Corporation. In the event that an insider, employee or consultant is unsure whether they may trade in securities of the Corporation, they should contact the CEO or the CFO to determine if a general blackout period is in effect or if the insider, employee or consultant is in possession of material undisclosed information.

Trading Windows

Insiders, employees and consultants may trade in securities of the Corporation only during the period beginning after the close of business one day following widespread public release of quarterly or year-end financial results or oil and gas reserves related information and ending at the close of trading on the tenth day preceding a Board, Audit Committee or Reserves Committee meeting to approve any financial statements reflecting such financial results or annual reserves and oil and gas disclosure, as the case may be.

No Trading During Trading Windows While in Possession of Material Non-public Information

No insider, employee or consultant possessing material non-public information concerning the Corporation may trade in securities of the Corporation even during applicable trading windows. Persons possessing such information may trade during a trading window only after the close of trading on the next full trading day following the widespread public release of such information.

No Trading During Blackout Periods

No insider, employee or consultant may trade in securities of the Corporation outside of applicable trading windows or during any designated special blackout periods. No insider, employee or consultant may disclose to any outside third party that a special blackout period has been designated.

Priority of Statutory or Regulatory Trading Restrictions

The trading prohibitions and restrictions set forth in this policy will be superseded by any greater prohibition or restrictions prescribed by provincial securities laws and regulations.

Compliance Officer

The CFO shall be responsible for responding to questions from directors, officers, employees and consultants and assisting such persons as reasonably requested in complying with the terms of this policy and applicable securities laws.

Enforcement

Penalties Under Securities Laws

The consequences of prohibited insider trading or tipping can be severe. Generally, under securities laws, persons violating insider trading or tipping rules may be required to disgorge the profit made or the loss avoided by trading, pay the loss suffered by the persons who purchased securities from or sold securities to the insider tippee, pay fines up to the greater of \$5,000,000 and three times the profit made or loss avoided, pay administrative penalties of up to \$1,000,000 per contravention and serve a jail term of up to five years less a day. Further, the Alberta Securities Commission can order a person who has contravened securities laws to pay for the cost of the investigation and hearing. The Corporation may also be required to pay penalties and could, under certain circumstances, be subject to private lawsuits by traders for damages suffered as a result of illegal insider trading or tipping by persons under the Corporation's control.

Discipline

Violation of this policy or federal or provincial insider or tipping laws by any insider or employee may subject such person to disciplinary action up to and including termination for cause.

If it is discovered that anyone subject to these policies has violated securities laws, the matter may be referred to the appropriate regulatory authorities.

Approval

This policy was approved by the board of directors of the Corporation on July 31, 2009 and amended and restated on August 8, 2013.