

BIRCHCLIFF

E N E R G Y

BIRCHCLIFF ENERGY LTD.

Annual and Special Meeting of Shareholders

to be held at

**3:00 p.m. (Mountain Daylight Time) on Thursday, May 16, 2019
in the McMurray Room at the Calgary Petroleum Club
319 – 5th Avenue S.W., Calgary Alberta**

NOTICE OF MEETING AND INFORMATION CIRCULAR

March 28, 2019

BIRCHCLIFF ENERGY LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE THAT the annual and special meeting (the “**Meeting**”) of the holders of common shares (“**Common Shares**”) of Birchcliff Energy Ltd. (the “**Corporation**”) will be held at 3:00 p.m. (Mountain Daylight Time) on Thursday, May 16, 2019 in the McMurray Room at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta, for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the financial year ended December 31, 2018 and the auditors’ report thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at five;
3. to elect the directors of the Corporation;
4. to appoint the auditors of the Corporation and to authorize the board of directors of the Corporation to fix their remuneration as such;
5. to consider and, if thought advisable, to pass an ordinary resolution approving the amendment of the outstanding performance warrants of the Corporation to extend their expiry date; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the information circular accompanying this notice.

A shareholder may attend the Meeting in person or may be represented by proxy. Registered shareholders of the Corporation who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and return it to the Corporation’s transfer agent, Computershare Trust Company of Canada: (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario L4B 4R5; (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; or (iii) by facsimile to 1-866-249-7775 (within Canada and the United States) or (416) 263-9524 (outside Canada and the United States). Registered shareholders may also use the internet at www.investorvote.com or the telephone at 1-866-732-8683 to vote their Common Shares. Shareholders voting through the internet or by telephone will be prompted to enter the 15-digit control number found on the form of proxy. In order to be valid and acted upon at the Meeting, proxies and votes received through the internet or by telephone must be received by Computershare Trust Company of Canada on or before 3:00 p.m. (Mountain Daylight Time) on Tuesday, May 14, 2019, or if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjourned or postponed Meeting.

Only shareholders of record as of the close of business on March 27, 2019 (the “**Record Date**”) are entitled to receive notice of and to vote at the Meeting, provided that if a shareholder has transferred the ownership of any of his or her Common Shares after the Record Date and the transferee of those Common Shares produces properly endorsed Common Share certificates or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included in the list of shareholders before the Meeting, then the transferee shall be entitled to vote such Common Shares at the Meeting.

DATED at the City of Calgary, in the Province of Alberta, this 28th day of March, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “*A. Jeffery Tonken*”

President, Chief Executive Officer and Chairman of the Board of Directors

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BIRCHCLIFF

ENERGY

INFORMATION CIRCULAR

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 16, 2019

GENERAL PROXY AND VOTING INFORMATION

Solicitation of Proxies

This information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Birchcliff Energy Ltd. (“**Birchcliff**” or the “**Corporation**”) for use at the annual and special meeting (the “**Meeting**”) of the holders of common shares of the Corporation (“**Common Shares**”) to be held on Thursday, May 16, 2019 in the McMurray Room at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta at 3:00 p.m. (Mountain Daylight Time), and at any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders (the “**Notice of Meeting**”).

This solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of this Information Circular and related materials will be borne by the Corporation. In addition to solicitation by mail, proxies may also be solicited by personal interviews, telephone or by other methods of communication, by the Corporation’s executive officers, directors and employees who will not be specifically remunerated therefor.

The information contained in this Information Circular is given as of March 28, 2019, except where otherwise indicated.

Appointment of Proxies

A shareholder may attend the Meeting in person or may be represented by proxy. Registered shareholders of the Corporation (as such term is defined below) who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and return such proxy to the Corporation’s transfer agent, Computershare Trust Company of Canada: (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario L4B 4R5; (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; or (iii) by facsimile to 1-866-249-7775 (within Canada and the United States) or (416) 263-9524 (outside Canada and the United States). Registered shareholders may also use the internet at www.investorvote.com or the telephone at 1-866-732-8683 to vote their Common Shares. Shareholders voting through the internet or by telephone will be prompted to enter the 15-digit control number found on the form of proxy.

In order to be valid and acted upon at the Meeting, proxies and votes received through the internet or by telephone must be received by Computershare Trust Company of Canada on or before 3:00 p.m. (Mountain Daylight Time) on Tuesday, May 14, 2019, or if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjourned or postponed Meeting. The Chairman of the Meeting will have the discretion, but is not obligated, to accept proxies that are deposited less than 48 hours prior to the time of the Meeting or any adjournment or postponement thereof.

The persons named as proxyholders in the enclosed form of proxy are directors and/or executive officers of the Corporation. A shareholder has the right to appoint a person or company to attend and represent the shareholder at the Meeting, other than the persons designated in the form of proxy furnished by the Corporation. To exercise this right, the shareholder is required to either insert the name of the shareholder’s appointee in the blank space provided in the form of proxy or complete another appropriate form of proxy and, in either case, deliver the

completed proxy to Computershare Trust Company of Canada, at the places and within the time specified above for the deposit of proxies. Registered shareholders may also use the internet at www.investorvote.com to appoint another person to be the shareholder's proxyholder.

Revocation of Proxies

A shareholder of the Corporation who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has submitted a proxy attends in person at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing and deposited either at the registered (head) office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof or deposited with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

Exercise of Discretion with Respect to Proxies

The Common Shares represented by proxy in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for. If the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly, but if no specification is made, the Common Shares will be voted in favour of the matters to be acted upon as set forth herein.

If any amendment or variation to the matters identified in the Notice of Meeting is proposed or if any other matters are properly brought before the Meeting or any adjournment or postponement thereof, the enclosed form of proxy confers discretionary authority on the persons named therein to vote on any such amendment or variation or such other matters. As at the date of this Information Circular, management of the Corporation is not aware of any such amendment, variation or other matter.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders of Birchcliff, as a substantial number of shareholders do not hold Common Shares registered in their own name. Shareholders who do not hold their Common Shares in their own name ("**beneficial shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares ("**registered shareholders**") can be recognized and acted upon at the Meeting or any adjournment or postponement thereof. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Common Shares held by brokers or their nominees for beneficial shareholders can only be voted upon the instructions of the beneficial shareholder. Without specific instructions, brokers/nominees are prohibited from voting Common Shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires brokers and other intermediaries to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by beneficial shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy or voting instruction form supplied to a beneficial shareholder by its broker is identical or similar to the form of proxy provided to registered shareholders. However, the purpose of the form of proxy or voting instruction form distributed by the intermediary is limited to instructing the registered shareholder how to vote on behalf of the beneficial shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Corporation ("**Broadridge**"). Broadridge typically provides a scannable voting instruction form, mails that form to beneficial shareholders and asks beneficial shareholders to return the voting instruction form to Broadridge. Often beneficial shareholders are alternatively provided with a toll-free telephone number or a website address where

their shares can be voted. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting.

A beneficial shareholder receiving a voting instruction form cannot use that form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the shares voted. Accordingly, it is strongly suggested that beneficial shareholders return their completed voting instructions as directed by Broadridge well in advance of the Meeting in order to have their Common Shares voted at the Meeting.

Although a beneficial shareholder will not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an intermediary, a beneficial shareholder may attend at the Meeting as a proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial shareholders who wish to do this should enter their own names in the blank space on the voting instruction form provided to them and return the same in accordance with the instructions provided well in advance of the Meeting.

The Corporation uses Broadridge to send proxy-related materials to non-objecting beneficial shareholders. The Corporation intends to pay for intermediaries to deliver proxy-related materials to objecting beneficial owners of its Common Shares.

Notice-and-Access

Birchcliff has elected to use the “notice-and-access” provisions (the “**Notice-and-Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* for the Meeting in respect of mailings to its beneficial shareholders but not in respect of mailings to its registered shareholders. The Notice-and-Access Provisions are rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular and related materials in respect of a meeting of its shareholders online.

Birchcliff has also elected to use procedures known as “stratification” in relation to its use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular and, if applicable, a paper copy of financial statements and related management’s discussion and analysis, to some shareholders together with a notice of a meeting of its shareholders. In relation to the Meeting, registered shareholders and those beneficial shareholders with existing instructions on their account to receive paper materials will receive a paper copy of each of: (i) the Notice of Meeting and this Information Circular; (ii) a form of proxy or voting instruction form, as applicable; and (iii) the annual financial statements and related management’s discussion and analysis for the most recently completed financial year (collectively, the “**Financial Information**”). Beneficial shareholders without existing instructions on their account to receive paper materials will receive only a notice-and-access notification and a voting instruction form. Furthermore, a paper copy of the Financial Information will also be mailed to those beneficial shareholders who previously requested to receive such paper copies.

Voting Securities and Principal Holders of Voting Securities

Birchcliff is authorized to issue an unlimited number of Common Shares. On March 27, 2019 (the “**Record Date**”), Birchcliff had 265,924,362 Common Shares issued and outstanding.

Only shareholders of record as of the close of business on the Record Date are entitled to receive notice of the Meeting and to one vote at the Meeting for each Common Share held, provided that if a shareholder has transferred the ownership of any of his or her Common Shares after the Record Date and the transferee of those Common Shares produces properly endorsed Common Share certificates or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included in the list of shareholders before the Meeting, then the transferee shall be entitled to vote such Common Shares at the Meeting.

As at the date of this Information Circular and to the best of the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares other than as set forth in the table below:

Name of Shareholder	Number and Percentage of Common Shares
Fidelity ⁽¹⁾	39,283,090 (14.8%)
Letko, Brosseau & Associates Inc. ⁽²⁾	40,105,911 (15.1%)

(1) Based solely on a report under National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* (“NI 62-103”) which was filed on SEDAR on April 10, 2018. Fidelity may include the following entities: Fidelity Management & Research Company, FMR Co., Inc., Fidelity Management Trust Company, FIAM LLC, Fidelity Institutional Asset Management Trust Company, Strategic Advisers LLC, FIL Limited (and certain of its affiliates), Crosby Advisors LLC, Fidelity SelectCo, LLC and Fidelity (Canada) Asset Management ULC.

(2) Based solely on a report under NI 62-103 which was filed on SEDAR on December 7, 2018.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the financial year ended December 31, 2018, any proposed nominee for election as a director of the Corporation or any associate or affiliate of any of the foregoing, in any matter to be acted upon at the Meeting, other than the election of the directors and as disclosed in this Information Circular under the heading “*Business of the Meeting – Amendment of Performance Warrants*”.

BUSINESS OF THE MEETING

To the knowledge of the board of directors of the Corporation (the “**Board**”), the only matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting.

Financial Statements

At the Meeting, the audited financial statements of the Corporation for the year ended December 31, 2018 and the independent auditors’ report thereon will be placed before the shareholders, but no vote by the shareholders with respect thereto is required or proposed to be taken. The audited financial statements are available at www.birchcliffenergy.com and on SEDAR under Birchcliff’s company profile at www.sedar.com.

Fixing Number of Directors

The Corporation is required to have a minimum of three and a maximum of eleven directors. The Board presently consists of five directors, each of whom is proposed by management to be elected as a director at the Meeting. Accordingly, shareholders will be asked at the Meeting to fix the number of directors of the Corporation to be elected at the Meeting at five. Details relating to the proposed nominees are set forth in the table below under the heading “*Business of the Meeting – Election of Directors*”.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary, to vote proxies in favour of the ordinary resolution to fix the number of directors of the Corporation to be elected at the Meeting at five.

Election of Directors

The five nominees proposed by management to be elected as directors at the Meeting are Mr. Dennis A. Dawson, Ms. Debra A. Gerlach, Ms. Stacey E. McDonald, Mr. James W. Surbey and Mr. A. Jeffery Tonken, all of whom are currently serving on the Board. Pursuant to the *Business Corporations Act* (Alberta) (the “**ABCA**”), the current directors of the Corporation will cease to hold office at the close of the Meeting. Each person elected as a director of the Corporation will hold office until the close of the next annual meeting of shareholders or until their successor is elected or appointed. All proposed nominees have consented to be named in this Information Circular and to serve as directors, if elected.

Voting for the election of the directors will be conducted on an individual, and not slate, basis.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary, to vote proxies in favour of the election of each of the nominees listed herein as directors of the Corporation.

The Corporation will publicly disclose the voting results, providing the percentage of the votes for and withheld from voting for each individual director.

Majority Voting for Directors

The Board has adopted a majority voting policy (the “**Majority Voting Policy**”) applicable only to uncontested elections stipulating that if, with respect to any particular nominee for election as a director, the number of votes “for” the nominee does not exceed the number of votes recorded “withheld” from voting for such nominee, then such nominee shall promptly following certification of the shareholder vote, submit to the Board his or her resignation effective upon the acceptance thereof by the Board. The Board shall exercise its fiduciary duty in considering the acceptance of such director’s resignation and will consider all circumstances and factors it deems relevant in making its determination. The Board shall consider the acceptance of a director’s resignation tendered pursuant to the Majority Voting Policy within 90 days of the applicable meeting of shareholders and shall cause a press release to be issued promptly by the Corporation disclosing the Board’s determination and, if the resignation is not accepted by the Board, the full reasons therefor. The nominee shall not participate in any meeting of the Board or any committee thereof to consider whether their resignation will be accepted. The Board shall accept each resignation tendered in accordance with the Majority Voting Policy absent exceptional circumstances.

The full text of the Majority Voting Policy is available on the Corporation’s website at www.birchcliffenergy.com/governance.

Advance Notice By-Law

Birchcliff has adopted an advance notice by-law (the “**Advance Notice By-Law**”), which was ratified by shareholders at the annual and special meeting of shareholders held on May 10, 2018. The Advance Notice By-Law fixes a deadline by which shareholders must submit director nominations to the Corporation prior to any meeting of shareholders at which directors are to be elected and specifies the information that a nominating shareholder must include in the notice in order for director nominees to be eligible for nomination and election at any such meeting. The Advance Notice By-Law does not interfere with the ability of shareholders to requisition a shareholders’ meeting or to nominate directors by way of a shareholder proposal, in each case in accordance with the provisions of the ABCA. Subject only to the provisions of the ABCA, applicable securities laws and the articles of the Corporation, only persons who are nominated in accordance with the procedures set out in the Advance Notice By-Law shall be eligible for election as a director of the Corporation. The Corporation has not received any nominations via the advance notice mechanism as at the date of this Information Circular.

The full text of the Advance Notice By-Law is available on the Corporation’s website at www.birchcliffenergy.com/governance.

Director Information

The following table sets forth for each person proposed to be nominated for election as a director: (i) whether they are independent, their province and country of residence and their age; (ii) the period during which they have served as a director of Birchcliff or its predecessor entities; (iii) the number of Common Shares that they beneficially own, or control or direct, directly or indirectly, as at the date of this Information Circular; (iv) their principal occupation within the past five years and a brief biography; (v) the number of votes for and withheld from voting with respect to their election as a director at the annual and special meeting of the shareholders of the Corporation held on May 10, 2018, if applicable; and (vi) information regarding their current committee memberships and their attendance at Board and committee meetings held during 2018.

None of the proposed nominees are currently directors of any other public company.

DENNIS A. DAWSON

Independent Lead Director

Alberta, Canada

Age: 65

Director Since:
May 14, 2015Common Shares: 48,216⁽¹⁾

Mr. Dawson is a director of Birchcliff. He has been the Independent Lead Director since May 11, 2017 and is also the Chair of the Compensation Committee and the Nominating Committee. Mr. Dawson has over 32 years of oil and natural gas experience, including nine years as General Counsel for Pan-Alberta Gas Ltd., a major Canadian natural gas export and marketing company. He was the Vice-President, General Counsel and Corporate Secretary of AltaGas from December 1998 until April 2015. Mr. Dawson first joined AltaGas as Associate General Counsel in August 1997, after consulting with AltaGas Services Inc. from July 1996. Effective July 1998, he became AltaGas' General Counsel and Corporate Secretary and effective December 1998, he became Vice-President, General Counsel and Corporate Secretary. Mr. Dawson received a Bachelor of Arts degree from the University of Lethbridge and a Bachelor of Laws degree from the University of Alberta.

Voting Results from 2018 Annual Meeting	Number of Votes	% of Votes
Votes For	138,209,574	93.71
Votes Withheld	9,276,955	6.29

Board and Board Committees	2018 Meeting Attendance
Board (Lead Director)	13 of 13
Audit Committee	5 of 5
Compensation Committee (Chair)	4 of 4
Nominating Committee (Chair)	1 of 1
Reserves Evaluation Committee	4 of 4

DEBRA A. GERLACH

Independent Director

Alberta, Canada

Age: 58

Director Since:
November 8, 2017Common Shares: 25,000⁽¹⁾

Ms. Gerlach is a director of Birchcliff and is the Chair of the Audit Committee. From September 1996 until September 2017, Ms. Gerlach was a partner with Deloitte LLP where she practiced in the Assurance and Advisory group. Prior thereto, she held various positions within Deloitte LLP from the time she joined the firm in August 1982. During her 35 year career with the firm, Ms. Gerlach worked with numerous public oil and gas companies. Ms. Gerlach is a Chartered Accountant with the Chartered Professional Accountants of Alberta and received a Bachelor of Commerce degree and a Master of Business Administration degree from the University of Calgary.

Voting Results from 2018 Annual Meeting	Number of Votes	% of Votes
Votes For	140,201,291	95.06
Votes Withheld	7,285,238	4.94

Board and Board Committees	2018 Meeting Attendance
Board	13 of 13
Audit Committee (Chair) ⁽²⁾	5 of 5
Compensation Committee	4 of 4
Nominating Committee	1 of 1
Reserves Evaluation Committee	4 of 4

STACEY E. McDONALD

Independent Director
Alberta, Canada
Age: 35
Director Since:
December 14, 2018

Ms. McDonald is a director of Birchcliff and has over 13 years of experience in the energy and financial sectors. From September 2016 to July 2018, Ms. McDonald was a Managing Director – Institutional Equity Research (Energy) at GMP FirstEnergy and its predecessor, GMP Securities, independent global investment banks. She joined GMP Securities in February 2006 as a Research Associate and began publishing independently as an Equity Analyst in 2009. Ms. McDonald received a Bachelor of Commerce degree in Finance from the University of Alberta.

	Voting Results from 2018 Annual Meeting	Number of Votes	% of Votes
Common Shares: 0 ⁽¹⁾	N/A ⁽³⁾	N/A	N/A

Board and Board Committees	2018 Meeting Attendance⁽³⁾
Board	N/A
Audit Committee	N/A
Compensation Committee	N/A
Nominating Committee	N/A
Reserves Evaluation Committee	N/A

JAMES W. SURBEY

Non-Independent Director
Alberta, Canada
Age: 68
Director Since:
May 11, 2017
Common Shares: 774,000⁽¹⁾

Mr. Surbey is a director of Birchcliff and is the Chair of the Reserves Evaluation Committee. He is also an employee of Birchcliff and an independent businessman. Mr. Surbey has over 41 years of experience in the oil and natural gas industry and is one of the Corporation's founders. He was the Vice-President, Corporate Development and Corporate Secretary of Birchcliff from the inception of the Corporation until June 30, 2017. Prior to joining Birchcliff, he served as the Vice-President, Corporate Development of Case Resources Inc., the Senior Vice-President, Corporate Development of Big Bear Exploration Ltd. and the Vice-President, Corporate Development of Stampeder Exploration Ltd. Mr. Surbey was previously a senior partner of the law firm Howard, Mackie (now Borden Ladner Gervais LLP). He received a Bachelor of Engineering degree and a Bachelor of Laws degree from McGill University and is a member of the Law Society of Alberta.

Voting Results from 2018 Annual Meeting	Number of Votes	% of Votes
Votes For	131,153,032	88.93
Votes Withheld	16,333,497	11.07

Board and Board Committees	2018 Meeting Attendance
Board	13 of 13
Reserves Evaluation Committee (Chair)	4 of 4

A. JEFFERY TONKEN

Non-Independent Director,
Chairman of the Board and
President and Chief Executive
Officer

Alberta, Canada

Age: 62

Director Since:
July 6, 2004

Common Shares: 1,313,614⁽¹⁾

Mr. Tonken has been the President and Chief Executive Officer and a director of Birchcliff since the inception of the Corporation and the Chairman of the Board since May 11, 2017. He has over 38 years of experience in the oil and natural gas industry and is one of the Corporation's founders. Prior to Birchcliff, Mr. Tonken founded and served as the President and Chief Executive Officer of Case Resources Inc., Big Bear Exploration Ltd. and Stampeder Exploration Ltd. He was previously a partner of the law firm Howard, Mackie (now Borden Ladner Gervais LLP). Mr. Tonken is also the Vice-Chair of the Board of Governors of the Canadian Association of Petroleum Producers (CAPP). He received a Bachelor of Commerce degree from the University of Alberta and a Bachelor of Laws degree from the University of Wales and is a member of the Law Society of Alberta.

Voting Results from 2018 Annual Meeting	Number of Votes	% of Votes
Votes For	138,410,260	93.85
Votes Withheld	9,076,269	6.15

Board and Board Committees	2018 Meeting Attendance
Board (Chairman)	13 of 13

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- (1) The information as to Common Shares owned beneficially, not being within the knowledge of the Corporation, has been provided by each nominee.
- (2) Ms. Gerlach was appointed as Chair of the Audit Committee effective December 14, 2018.
- (3) Ms. McDonald was appointed as a director of the Corporation and a member of each of the Audit Committee, the Compensation Committee, the Nominating Committee and the Reserves Evaluation Committee effective December 14, 2018. There were no meetings of the Board or any committee of the Board held between the date of her appointment and December 31, 2018.

Corporate Cease Trade Orders or Bankruptcies

No proposed director of the Corporation is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Corporation, that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days, which was issued: (i) while that person was acting in such capacity; or (ii) after that person ceased to act in such capacity but which resulted from an event that occurred while that person was acting in such capacity.

No proposed director of the Corporation is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director or executive officer of any company, including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Corporation has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Appointment of Auditors

Shareholders will be asked to pass an ordinary resolution in favour of the appointment of the firm of KPMG LLP, Chartered Professional Accountants, as the auditors of the Corporation, to hold office until the close of the next annual meeting of shareholders of the Corporation, and to authorize the Board to fix their remuneration as such. The appointment of the auditors must be approved by a majority of votes cast by the shareholders. KPMG LLP has been the auditors of the Corporation since August 2011.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary, to vote proxies in favour of the appointment of KPMG LLP as the auditors of the Corporation and to authorize the Board to fix their remuneration as such.

The following table sets forth information about fees billed to the Corporation for professional services rendered by KPMG LLP in the years ended December 31, 2018 and 2017:

Fees	2018	2017
Audit Fees ⁽¹⁾	\$319,000	\$272,293
Audit-Related Fees ⁽²⁾	–	–
Tax Fees ⁽³⁾	\$24,292	\$18,055
All Other Fees ⁽⁴⁾	–	–
Total	\$343,292	\$290,348

(1) "Audit Fees" consist of fees for the audit of the Corporation's annual financial statements and the review of the Corporation's quarterly financial statements, as well as services that are normally provided in connection with statutory and regulatory filings or engagements.

(2) "Audit-Related Fees" consist of fees for assurance and related services that are reasonably related to the performance of the audit or the review of the Corporation's financial statements and are not reported under the heading of "Audit Fees" above.

(3) "Tax Fees" consist of fees for professional services rendered for tax compliance, tax advice and tax planning. During 2018 and 2017, such fees related to the preparation and filing of Birchcliff's corporate income tax returns and other tax-related work.

(4) "All Other Fees" consist of fees for products and services other than those described under the headings of "Audit Fees", "Audit-Related Fees" and "Tax Fees" above.

Amendment of Performance Warrants

Background

Birchcliff currently has 2,939,732 performance warrants (the "Performance Warrants") outstanding, representing approximately 1% of the issued and outstanding Common Shares as at the date of this Information Circular. The Performance Warrants were originally granted on January 18, 2005 at the founding of the Corporation to the executive officers of Birchcliff at the time of grant. Each Performance Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$3.00, which was the price at which the Corporation raised its initial \$60 million of equity financing. The Performance Warrants were designed to act as a long-term retention incentive for the holders and to enhance shareholder value by aligning the interests of the holders with the growth and profitability of the Corporation. The Performance Warrants were specifically designed to provide a performance-based incentive to the holders upon the trading price of the Common Shares exceeding \$6.00. Accordingly, the Performance Warrants were not exercisable unless the trading price of the Common Shares exceeded \$6.00 for a period of 20 consecutive trading days. This condition was satisfied in November 2005 and all of the Performance Warrants have been exercisable since that time.

The Performance Warrants are held by A. Jeffery Tonken, Bruno P. Geremia and Myles R. Bosman, each of whom is an executive officer of Birchcliff, and James W. Surbey, who retired as Vice-President, Corporate Development of Birchcliff effective June 30, 2017 and is now a director and employee of the Corporation. Mr. Geremia holds 50% of his Performance Warrants in trust for the benefit of his former spouse. See also "Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Performance Warrants".

Amendment to Expiry Date

Under their current terms, the Performance Warrants will expire on January 31, 2020. The Compensation Committee has recommended to the Board that the Performance Warrants be amended to extend their expiry date from January 31, 2020 to January 31, 2025 in order to provide to the holders of such Performance Warrants a continuing long-term incentive to:

- continue their efforts to create additional value for all shareholders by enhancing the value of the Corporation's business and assets and indirectly, the trading value of the Corporation's Common Shares;
- align their interests with the interests of the shareholders of the Corporation; and
- encourage their employment with the Corporation on a long-term basis.

In making this recommendation, the Compensation Committee recognized the significant shareholder value that the holders of the Performance Warrants have helped to create since Birchcliff's inception and the future work that remains to be done to develop the Corporation's resource properties and recognize the value of those assets, which is not currently being fully reflected in the trading price of the Corporation's Common Shares as a result of macroeconomic factors affecting the oil and natural gas industry generally in Canada. The Compensation Committee also gave consideration to their expectation that if the expiry date of the Performance Warrants is not extended, all of the Performance Warrants will be exercised prior to their expiry by the holders (assuming the exercise price exceeds the market value of the Common Shares). As a result, the continuing long-term incentive for the holders of the Performance Warrants would be extinguished and the Corporation would need to develop or provide another appropriate form of long-term incentive to replace the incentive previously provided by the Performance Warrants, which may not provide the similar incentive capability. The Compensation Committee also took into account that the expiry of the Performance Warrants in January 2020 could have the effect of lessening the holders' long-term commitment to the Corporation, which could have a negative effect on the long-term development of the Corporation's assets and ultimately, on shareholder value.

In accordance with the recommendation of the Compensation Committee, the Board has approved the amendment of the Performance Warrants to extend their expiry date from January 31, 2020 until January 31, 2025 (the "**Proposed Amendment**"), conditional upon the Corporation obtaining the approval of the Proposed Amendment from both (i) the shareholders of the Corporation (excluding the holders of the Performance Warrants) and (ii) the Toronto Stock Exchange (the "**TSX**"). The Corporation intends to give effect to the Proposed Amendment immediately following the receipt of these approvals, if obtained.

Accordingly, shareholders will be asked at the Meeting to consider and, if thought advisable, to pass an ordinary resolution approving the proposed amendment of the Performance Warrants, to extend the expiry date of such Performance Warrants from January 31, 2020 to January 31, 2025 (the "**Performance Warrant Resolution**"). If the Performance Warrant Resolution is not approved at the Meeting, any unexercised Performance Warrants will expire on January 31, 2020.

As each of the holders of the Performance Warrants is currently a director and/or an executive officer of the Corporation, the policies of the TSX require that the Performance Warrant Resolution be approved by the disinterested shareholders of the Corporation, being those persons other than the persons holding the Performance Warrants. Therefore, in order for the Performance Warrant Resolution to be passed, it must be approved by a simple majority of the votes cast by shareholders who vote in person or by proxy at the Meeting, excluding the votes cast in respect of Common Shares held by Messrs. Tonken, Geremia, Bosman and Surbey.

In addition, each of Messrs. Tonken, Geremia, Bosman and Surbey are considered "related parties" of the Corporation within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Accordingly, the Proposed Amendment constitutes a "related party transaction" under MI 61-101 as it involves the amendment of the terms of a security of the Corporation that is beneficially owned by a related party. Pursuant to MI 61-101, the Corporation is exempt from the requirement to obtain "minority approval" as defined in MI 61-101, because the fair market value of the Proposed Amendment does not exceed 25% of the Corporation's market capitalization.

The text of the Performance Warrant Resolution, which management intends to place before the Meeting for approval by shareholders, is set forth below:

"**BE IT RESOLVED** as an ordinary resolution of the holders of the common shares of the Corporation that:

1. the outstanding performance warrants of the Corporation (the "**Performance Warrants**") be amended to extend their expiry date from January 31, 2020 to January 31, 2025 (the "**Amendment**");

2. any director or officer of the Corporation be and is hereby authorized and directed to make such consequential amendments to the Performance Warrants as may be required to give full effect to the Amendment; and
3. any director or officer of the Corporation be and is hereby authorized and directed to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to the foregoing resolutions.”

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary, to vote proxies in favour of the Performance Warrant Resolution.

Other Business

If any other matters properly come before the Meeting or any adjournment or postponement thereof, the enclosed form of proxy confers discretionary authority on the persons named therein to vote on any such other matters. As at the date of this Information Circular, management of the Corporation is not aware of any other matters to come before the Meeting.

EXECUTIVE COMPENSATION

Year in Review – 2018 Performance

Birchcliff is an intermediate oil and natural gas company based in Calgary, Alberta that is engaged in the business of exploring for, developing and producing natural gas, crude oil and natural gas liquids in the Western Canadian Sedimentary Basin with operations concentrated within its one core area, the Peace River Arch of Alberta. Within the Peace River Arch, Birchcliff is focused on its high-quality Montney/Doig Resource Play and the exploration and development of its low-cost natural gas, crude oil and liquids-rich assets on the play. Within the Montney/Doig Resource Play, the Corporation’s operations are primarily concentrated in the Pouce Coupe and Gordondale areas of Alberta where it owns large contiguous blocks of high working interest land.

Birchcliff executed on its business plan and delivered very strong financial and operational results in 2018, achieving both record annual average production and very low per boe operating costs. Highlights from 2018 include:

- Annual average production of 77,096 boe per day in 2018, a 13% increase from 2017.
- Birchcliff decreased its per boe operating expense to \$3.52/boe in 2018, a 21% decrease from 2017.
- During 2018, Birchcliff drilled 36 (36.0 net) wells, 100% of which were successful. Birchcliff brought a total of 28 (28.0 net) wells on production during the year.
- Birchcliff continued to reduce its exposure to pricing at AECO and diversify the natural gas markets it sells to. Birchcliff has agreements for the firm service transportation of an aggregate of 175,000 gigajoules per day (“GJ/d”) of natural gas on TransCanada’s Canadian Mainline for a 10-year term, whereby natural gas is transported to the Dawn trading hub in Southern Ontario. As of December 31, 2018, 150,000 GJ/d of service is available to Birchcliff. In addition, Birchcliff has also entered into various risk management contracts to sell its natural gas at prices based on the Dawn and NYMEX Henry Hub prices. In 2018, approximately 60% of the Corporation’s natural gas sales were not exposed to AECO pricing.

Disclosure provided herein in respect of barrels of oil equivalent (“boe”) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 million cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas 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.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes the executive compensation program for the financial year ended December 31, 2018 applicable to Birchcliff’s “Named Executive Officers” (the “**Named Executive Officers**”). “Named Executive Officer” is defined by Form 51-102F6 – *Statement of Executive Compensation* to mean: (i) the

chief executive officer of the Corporation; (ii) the chief financial officer of the Corporation; (iii) each of the Corporation's three most highly compensated executive officers or three most highly compensated individuals acting in a similar capacity, other than the chief executive officer and chief financial officer, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000.00 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under paragraph (iii) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year. The Corporation's Named Executive Officers for the financial year ended December 31, 2018 were:

- Mr. A. Jeffery Tonken – President and Chief Executive Officer;
- Mr. Myles R. Bosman – Vice-President, Exploration and Chief Operating Officer;
- Mr. Christopher A. Carlsen – Vice-President, Engineering;
- Mr. Bruno P. Geremia – Vice-President and Chief Financial Officer; and
- Mr. Dave M. Humphreys – Vice-President, Operations.

This Compensation Discussion and Analysis discusses the objectives and principles of the Birchcliff's compensation program, the roles and responsibilities of the Compensation Committee in determining and approving executive compensation, the process for determining compensation and the elements of the Corporation's compensation program.

Compensation Objectives and Principles

The overall philosophy of Birchcliff is to provide a compensation program that rewards performance, aligns with shareholder interests and attracts and retains high-quality and experienced executives and employees. Birchcliff believes that compensation should be fair and equitable compared to compensation paid generally in the Alberta oil and natural gas industry.

The principal objectives of Birchcliff's compensation program for the financial year ended December 31, 2018 were as follows:

- to attract and retain the management talent needed to achieve Birchcliff's business objectives and to create long-term value for shareholders;
- to motivate the short and long-term performance of the Named Executive Officers and other employees and align their interests with those of the Corporation's shareholders;
- to reward performance, individual contribution and leadership in the achievement of the Birchcliff's business objectives and the creation of shareholder value; and
- to provide compensation that is competitive with other companies of a similar size in the Alberta oil and natural gas industry and that is reflective of the experience, performance and contribution of the individuals involved, as well as the overall performance of the Corporation.

Compensation Governance

The Corporation has a Compensation Committee whose responsibility it is to review compensation matters and to recommend to the Board the appropriate levels of compensation for all Named Executive Officers and directors.

Mandate of the Compensation Committee

The Compensation Committee has a formal charter which sets out its roles and responsibilities. The roles and responsibilities of the Compensation Committee include, among other things:

- providing oversight and guidance for the compensation and benefit philosophy for all employees of the Corporation;
- making recommendations to the Board with respect to the compensation of the Named Executive Officers;

- making recommendations to the Board with respect to the compensation of non-employee directors; and
- reviewing the Corporation's incentive compensation and other benefit plans and practices and recommending changes in such plans and practices to the Board.

Pursuant to its charter, the Compensation Committee is required to meet at least annually and as many additional times as the committee deems necessary. During 2018, the Compensation Committee met a total of four times.

Members of the Compensation Committee

The current members of the Compensation Committee are Mr. Dennis A. Dawson (Chair), Ms. Debra A. Gerlach and Ms. Stacey E. McDonald. All members of the Compensation Committee are independent within the meaning of applicable securities laws.

Each of the Compensation Committee members has direct experience relevant to executive compensation. The skills and experience of each member of the Compensation Committee that enable them to make decisions regarding the suitability of the Corporation's compensation policies and practices are summarized below:

- Mr. Dawson has over 32 years of oil and natural gas experience, including nine years as General Counsel for Pan-Alberta Gas Ltd., a major Canadian natural gas export and marketing company. He was the Vice-President, General Counsel and Corporate Secretary of AltaGas from December 1998 until April 2015. Mr. Dawson first joined AltaGas as Associate General Counsel in August 1997, after consulting with AltaGas Services Inc. from July 1996. Effective July 1998, he became AltaGas' General Counsel and Corporate Secretary and effective December 1998, Mr. Dawson became Vice-President, General Counsel and Corporate Secretary. Mr. Dawson received a Bachelor of Arts degree from the University of Lethbridge and a Bachelor of Laws degree from the University of Alberta. Through his previous roles at AltaGas and other organizations, Mr. Dawson gained experience in reviewing, establishing and/or operating executive and corporate compensation programs.
- Ms. Gerlach was a partner with Deloitte LLP from September 1996 until September 2017 where she practiced in the Assurance and Advisory group and prior thereto, she held various positions within Deloitte LLP from the time she joined the firm in August 1982. During her 35 year career with the firm, Ms. Gerlach worked with numerous public oil and gas companies. Ms. Gerlach is a Chartered Accountant with the Chartered Professional Accountants of Alberta and received a Bachelor of Commerce degree and a Master of Business Administration degree from the University of Calgary. Through her career with Deloitte LLP, Ms. Gerlach became acquainted with the compensation structures of a variety of different organizations, including those in the oil and natural gas industry. While at Deloitte LLP, Ms. Gerlach was responsible for managing various employees and was involved in reviewing and helping to determine the compensation for such staff. In addition, she also reviewed and/or audited the executive pay structures of numerous companies throughout her career.
- Ms. McDonald has over 13 years of experience in the energy and financial sectors. From September 2016 to July 2018, Ms. McDonald was a Managing Director – Institutional Equity Research (Energy) at GMP FirstEnergy and its predecessor, GMP Securities, independent global investment banks. Ms. McDonald joined GMP Securities in February 2006 as a Research Associate and began publishing independently as an Equity Analyst in 2009. Ms. McDonald received a Bachelor of Commerce degree in Finance from the University of Alberta. While at GMP FirstEnergy and GMP Securities, Ms. McDonald was involved in providing input to the corporations' management compensation committees with respect to the allocation of ongoing incentive and commission payments. She was also involved in assessing performance and setting compensation for staff members.

Compensation Consultants or Advisors

The Compensation Committee has the authority to engage outside advisors to the extent it considers it necessary or desirable. During the financial years ended December 31, 2018 and December 31, 2017, neither the Board nor the Compensation Committee engaged any outside compensation consultant or advisor to assist in determining compensation for any of the Corporation's directors or executive officers.

Compensation Committee Review Process

Executive compensation for each financial year (excluding bonuses) is typically set in January of that year. Bonuses are also typically set in January but are determined in respect of the previous financial year. With respect to the financial year ended December 31, 2018, the salaries and the number of stock options to purchase Common Shares (“Options”) to be granted to the Named Executive Officers and other employees of the Corporation were set in January 2018 and the bonuses were determined in January 2019.

With respect to the compensation paid to the Named Executive Officers, the President and Chief Executive Officer of the Corporation provides his recommendation to the Compensation Committee as to the compensation that should be paid to such officers. The Compensation Committee then reviews this recommendation and submits its full recommendation to the Board.

Birchcliff also participates in and uses the annual Mercer Total Compensation Survey for the energy sector, conducted and administered by Mercer (Canada) Limited (an independent compensation consultant), for purposes of benchmarking executive and employee compensation.

Elements of Compensation

The significant elements of Birchcliff’s executive compensation program are set forth in the table below:

Element	Fixed or Variable	Cash or Equity	Long-Term or Short-Term
Base Salary	Fixed	Cash	Short-Term
Bonus	Variable	Cash	Short-Term
Options	Variable	Equity	Long-Term
Performance Warrants ⁽¹⁾	N/A	Equity	Long-Term

(1) See “Business of the Meeting – Amendment of Performance Warrants” and “Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Performance Warrants”.

In addition, provided they meet certain eligibility requirements, each of the Named Executive Officers is entitled to receive a lump sum cash payment from the Corporation on retirement or other termination of their employment without just cause. See “Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Executive Retirement Benefit”. The Named Executive Officers are also entitled to participate in the Corporation’s employee group savings plan (the “Group Savings Plan”) and to receive other employee benefits. See “Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Group Savings Plan and Benefits”.

The Compensation Committee endeavours to find an appropriate balance between fixed and variable, long-term and short-term and cash and equity-based incentive compensation. Cash compensation primarily rewards short-term and individual performance, whereas equity-based incentive awards (Options and historically Performance Warrants) align the Corporation with market performance and encourage the Named Executive Officers to deliver improved corporate performance over a longer period of time and to help increase shareholder value.

The elements of the Corporation’s compensation program and the specific process for determining the amount of each element are described in further detail below. The amount of each element of the Corporation’s compensation program is not determined relying on specific benchmarks or performance goals or by using a prescribed formula as the Compensation Committee and the Board believe that such benchmarks, goals and formulas could lead to unintended consequences and foster excessive risk taking to the overall detriment of the Corporation. Instead, in making its recommendations to the Compensation Committee, management engages in a comprehensive qualitative review of corporate and individual performance, having regard for the Corporation’s current needs, in order to determine the most effective way for Birchcliff’s compensation program to achieve its primary objectives and fulfill its overall philosophy.

Base Salaries

The first element of Birchcliff’s compensation program is the payment of base salaries. The payment of base salaries is a fundamental component of the Corporation’s compensation program and serves to attract and retain highly

qualified executive officers. The Corporation believes that a highly competitive base salary is key to Birchcliff's ongoing success and to maintaining stability at the executive level. The Named Executive Officers are paid a base salary to compensate them for providing the leadership and skills necessary to fulfill their responsibilities as executive officers of the Corporation.

Salaries for the Named Executive Officers are reviewed annually by the President and Chief Executive Officer, based on a review of corporate and individual performance and individual levels of responsibility. Although no formal industry-peer benchmarking group has been established, the President and Chief Executive Officer reviews publicly available information regarding the executive compensation of certain of the Corporation's competitors. Based on his review, the President and Chief Executive Officer submits his salary recommendations for the Named Executive Officers for consideration by the Compensation Committee. The Compensation Committee then reviews the recommendations of the President and Chief Executive Officer and submits its recommendations to the full Board.

In determining the salaries to be paid to the Named Executive Officers in respect of the financial year ended December 31, 2018, the Compensation Committee had regard to the Corporation's performance, the contributions made by such executive officers, their individual levels of responsibility, their experience and expertise, how their compensation levels related to compensation packages that would be achievable by such executive officers from other opportunities and available salary survey data and other information publicly disclosed by certain of the Corporation's competitors. The base salaries for the Named Executive Officers were frozen in 2015, 2016 and 2017. Given the strong corporate and individual performance in 2017, the Compensation Committee and Board approved an increase to the base salary of each of the Named Executive Officers in 2018.

The Bonus Plan

The second element of Birchcliff's compensation program is the Corporation's bonus plan (the "**Bonus Plan**"). Pursuant to the Bonus Plan, discretionary cash bonuses are paid to the Named Executive Officers and other employees where deemed appropriate by the Compensation Committee. The Bonus Plan serves as a short-term retention incentive to encourage the Named Executive Officers and employees to remain employed with the Corporation. In addition, the Bonus Plan rewards the Named Executive Officers and other employees for their individual performance and their contribution to the achievement of the Corporation's goals and objectives, as well as the performance of the Corporation as a whole.

With respect to the bonuses to be paid to the Named Executive Officers, the President and Chief Executive Officer submits his recommendations for consideration by the Compensation Committee. The Compensation Committee then reviews the recommendations of the President and Chief Executive Officer and submits its recommendations to the full Board. In determining the amount of bonuses to be paid to the Named Executive Officers in respect of the financial year ended December 31, 2018, the Compensation Committee had regard to a variety of factors, including the execution of the Corporation's business plan, the Corporation's production, capital costs, operating costs, reserves additions, performance-based metrics commonly used in the oil and natural gas industry and the health, safety and environmental record of the Corporation.

On the basis of the significant accomplishments achieved by Birchcliff during 2018 as outlined above under "*Executive Compensation – Year in Review – 2018 Performance*" and the efforts made by each of the Named Executive Officers in executing the Corporation's business plan, the Compensation Committee and the Board approved in January 2019 the payment of bonuses to the Named Executive Officers for 2018 that were the same as those paid in the prior year in light of the current external factors affecting the Corporation.

The Stock Option Plan

The third element of Birchcliff's compensation program is the Corporation's Stock Option Plan, as amended and restated on December 13, 2018 (the "**Stock Option Plan**"). The Stock Option Plan was amended by the Corporation on December 13, 2018 in order to allow the Corporation to utilize third party software to simplify the management of the Stock Option Plan and to make certain other "housekeeping" amendments. Shareholder approval was not obtained for such amendments as approval was not required pursuant to the terms of the Stock Option Plan or the policies of the TSX.

Purpose

The Stock Option Plan is an integral component of the Corporation's total compensation program and serves to enhance shareholder value by aligning the interests of participants under the Stock Option Plan (each, an "Optionee") with the interests of shareholders in the growth and profitability of the Corporation. The Stock Option Plan is designed, through the grant of Options, to reward Optionees with additional compensation relative to an increase in the price of the Common Shares. In addition, the deferred vesting of Options over a three-year period serves as a long-term retention incentive to encourage the Named Executive Officers and other employees to remain employed with the Corporation.

Participants

The Stock Option Plan permits the granting of Options to officers, directors, employees and certain service providers of the Corporation. Although the Stock Option Plan does not prohibit the granting of Options to non-employee directors of the Corporation, no Options have been granted to any non-employee director of the Corporation since 2011.

Grant Process

Pursuant to the Stock Option Plan, the Board may grant Options from time to time. At the time of the grant, the Board fixes the exercise price, vesting dates and the expiry date of such Options. The Board may also fix such other terms and conditions, not inconsistent with the Stock Option Plan, as the Board in its discretion may determine.

Generally, the number of Options granted to any Optionee is a function of the level of authority and responsibility of the Optionee, the contribution that has been made by the Optionee to the business and affairs of the Corporation, the number of Options that have already been granted to the Optionee and such other factors as management or the Compensation Committee may consider relevant.

With respect to the number of Options to be granted to the Named Executive Officers, the President and Chief Executive Officer submits his recommendations for consideration by the Compensation Committee. The Compensation Committee then reviews the recommendations of the President and Chief Executive Officer and submits its recommendations to the full Board. In determining the number of Options to be granted to the Named Executive Officers during 2018, the Compensation Committee had regard to the amount, term and vesting levels of existing Options and Performance Warrants held by the Named Executive Officers and also the number of Options remaining available for grant by the Corporation in the future to attract and retain talented technical and administrative staff. The Named Executive Officers were each granted 200,000 Options on February 19, 2018. The Compensation Committee believes that these Options granted under the Stock Option Plan will provide above-market compensation to the Named Executive Officers only upon the significant enhancement of shareholder value.

Expiry Date, Black-Outs and Vesting

The Stock Option Plan provides that the expiry date of an Option shall be no later than 10 years from the date of grant of such Option. If the expiry date of an Option falls within a period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation (a "Black-Out Period") or within two business days thereafter, the expiry date of such Option shall be automatically extended for a period of 10 business days following the end of the Black-Out Period.

All of the Options granted to date under the Stock Option Plan provide for: (i) the expiry of such Options not later than the fifth anniversary of the date of grant; and (ii) the vesting of such Options with respect to one-third of the Common Shares issuable thereunder on each of the first, second and third anniversaries of the date of grant.

Exercise Price

The Stock Option Plan provides that the exercise price of an Option shall not be lower than the higher of: (i) the closing price of the Common Shares on the TSX on the first trading day immediately preceding the date of grant; or (ii) the lowest exercise price permitted by the TSX; provided that if the Common Shares are not listed and posted for trading on a stock exchange, the exercise price of an Option shall be the value determined by the Board on the date of grant.

Restrictions on Number of Common Shares Issuable

The maximum number of Common Shares that are issuable under Options that are issued and outstanding at any time under the Stock Option Plan shall not exceed 10% of the aggregate number of Common Shares actually issued and outstanding at that time, as determined on a non-diluted basis. The maximum number of Common Shares that may be issued under the Stock Option Plan to insiders of the Corporation within any one-year period and the maximum number of Common Shares that are issuable under the Stock Option Plan to insiders of the Corporation at any time, together with all Common Shares issuable to insiders under all other share compensation arrangements, may not exceed 10% of the outstanding Common Shares. The maximum number of Common Shares that may be issued under the Stock Option Plan to any single Optionee in the Stock Option Plan may not exceed 5% of the outstanding Common Shares.

Based on 265,911,362 Common Shares issued and outstanding at December 31, 2018, a maximum of 26,591,136 Common Shares (representing 10% of the issued and outstanding Common Shares) could be issued under the Stock Option Plan as at that date. At December 31, 2018, there was an aggregate of 15,847,570 Options issued and outstanding (representing approximately 6% of the issued and outstanding Common Shares), leaving 10,743,566 Common Shares (representing approximately 4% of the issued and outstanding Common Shares) available for issuance under the Stock Option Plan as at that date.

Amendments

The Board may at any time, but subject always to the receipt of required regulatory approvals, alter, amend or revise the terms and conditions of the Stock Option Plan or an outstanding Option, or suspend, discontinue or terminate the Stock Option Plan or a portion thereof, provided that, without the prior written consent of an Optionee, no such action shall adversely affect (except as specifically provided in the Stock Option Plan or an applicable Option Agreement) any Options previously granted to such Optionee.

Any alteration, amendment or revision to the Stock Option Plan or any outstanding Options (other than any suspension, discontinuance or termination of the Stock Option Plan or any outstanding Options) is subject to the prior approval of shareholders of the Corporation. Notwithstanding the foregoing, the Board has the power and authority to approve and effect certain amendments to the Stock Option Plan or a specific Option without further approval of the shareholders of the Corporation, to the extent that such amendments relate to: (i) altering, extending or accelerating the terms and conditions of vesting applicable to any Option or group of Options; (ii) changing the termination provisions of an Option, provided such change does not entail an extension beyond the original expiry date of such Option; (iii) accelerating the expiry date of an Option; (iv) determining the adjustment provisions pursuant to the Stock Option Plan; (v) amending the definitions contained within the Stock Option Plan and other amendments of a "housekeeping" nature; and (vi) amending or modifying the mechanics of exercise of the Options. Shareholder approval is specifically required for the Board to make amendments of the following nature: (i) to increase the maximum number or percentage of Common Shares that may be issued pursuant to Options granted under the Stock Option Plan; (ii) to reduce the exercise price of Options benefiting an insider; (iii) to alter limits to insider participation as set forth in the Stock Option Plan; (iv) to extend the expiry date of Options for the benefit of an insider; and (v) to amend the amendment provisions of the Stock Option Plan.

Cessation of Participation

The Stock Option Plan provides an Optionee who has ceased to be a participant under the Stock Option Plan for any reason a limited amount of time to exercise any or all of his or her vested Options, after which time such vested Options shall expire. All of such Optionee's unvested Options expire immediately upon cessation of participation. Vested Options granted under the Stock Option Plan will expire on the earlier of: (i) the original expiry date; (ii) the date that is three years after the Optionee's death; (iii) the date that is one year after the Optionee becomes permanently disabled; (iv) the date that is one year after the Optionee ceases to be a director; and (v) the date that is 30 days after the Optionee ceases to be a participant for any other reason. In the context of an Optionee ceasing to be a participant under the Stock Option Plan, the directors of the Corporation have the discretion to vest unvested Options and to extend the expiry date of Options, provided that such extended expiry date shall be no later than the earlier of the original expiry date of such Options and the third anniversary date of the date upon which the Optionee ceased to be a participant under the Stock Option Plan.

Assignability

The interest of any Optionee under the Stock Option Plan or under any Option Agreement is not transferable or alienable by the Optionee either by assignment or in any other manner and, during his lifetime, is vested only in him, but, subject to the terms of the Stock Option Plan and of the Option Agreement, shall enure to the benefit of and be binding upon his legal personal representatives.

Adjustment in Connection with Certain Corporate Events

In the event: (i) of any change or proposed change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; (ii) of any issuance, dividend or distribution to all or substantially all of the holders of Common Shares of any shares, securities, property or assets of the Corporation other than in the ordinary course; (iii) that any rights are granted to holders of Common Shares to purchase Common Shares at prices materially below fair market value; or (iv) that as a result of any recapitalization, merger, consolidation or otherwise the Common Shares are converted into or exchangeable for any other shares or securities; then in any such case: (v) the Board will proportionately adjust the number of Common Shares that underlie each Option, the number of Common Shares that are available for issuance pursuant to the exercise of all outstanding Options, the securities or other property that may be acquired upon the exercise of an Option and the exercise price of such Option, or one or more of the foregoing, to prevent substantial dilution or enlargement of the rights granted to, or available for, Optionees; and (vi) the Board may amend to an earlier date the date on which any or all unvested Options become vested Options and may decide whether such Options will remain as vested Options for a limited period of time only.

Change of Control

The Stock Option Plan contains various provisions that apply in the context of a transaction resulting in a “change of control” (as such term is defined in the Stock Option Plan). In most change of control situations, all unvested Options will be vested. In the context of a change of control where not less than 66²/₃% of vested Options have been exercised, all remaining unexercised Options shall expire and automatically terminate on the date of closing of the change of control transaction and the Corporation shall make a cash payment to the former holders of such Options in an amount equal to the “in-the-money” value of such expired Options at such time.

Performance Warrants

The Performance Warrants were originally granted on January 18, 2005 at the founding of the Corporation to the executive officers of Birchcliff at the time of grant. Under their current terms, the Performance Warrants expire on January 31, 2020. At the Meeting, shareholders will be asked to approve the Proposed Amendment to the Performance Warrants to extend their expiry date to January 31, 2025. For additional details regarding the terms of the Performance Warrants and the Proposed Amendment, see “*Business of the Meeting – Amendment of Performance Warrants*”.

Executive Retirement Benefit

During 2018, the executive employment agreements between each of the Named Executive Officers and the Corporation (collectively, the “**Employment Agreements**”) were amended to provide for a lump sum cash payment to be made to each Named Executive Officer (the “**Executive Retirement Benefit**”) upon the Named Executive Officer meeting the following eligibility requirements at the time their employment ceases: (i) the Named Executive Officer shall have reached the age of 55; (ii) the Named Executive Officer shall have been employed by the Corporation for a consecutive period of at least 10 years; and (iii) the Named Executive Officer’s employment shall have been terminated by either the Corporation or the Named Executive Officer, other than termination by the Corporation for “Just Cause” as such term is defined in the Employment Agreements (collectively, the “**Eligibility Requirements**”).

If a Named Executive Officer meets the Eligibility Requirements, upon cessation of their employment with Birchcliff: (i) the Named Executive Officer (other than Mr. Tonken) will be entitled to an Executive Retirement Benefit equal to such Named Executive Officer’s “Annual Compensation” (as such term is defined in the Employment Agreements), which is in effect immediately prior to the cessation of employment, multiplied by 2.5; and (ii) in the case of Mr. Tonken, he will be entitled to an amount equal to his “Annual Compensation”, which is in effect immediately prior

to the cessation of his employment, multiplied by 3.0. See “Executive Compensation – Pension Plan Benefits” and “Executive Compensation – Termination and Change of Control Benefits”.

Group Savings Plan and Benefits

Birchcliff generally provides the Named Executive Officers, along with all other employees, with the opportunity to voluntarily participate in the Group Savings Plan. The Corporation implemented the Group Savings Plan to assist employees in meeting their saving goals. Employees who join the Group Savings Plan contribute a percentage of their base salary each pay period and the Corporation matches the employee contributions to a maximum of 5% of the employee’s base salary. All employees are generally eligible to join the Group Savings Plan and vesting of the Corporation’s contribution is immediate. The Group Savings Plan is administered for the Corporation by an independent third party investment firm. Investment options include a suite of professionally managed investment funds. The Corporation deposits contributions with the advisory firm on a semi-monthly basis and thereafter all investment decisions, transfers and withdrawals are completed directly between the employee and the third party investment firm.

In addition, the Named Executive Officers are provided with other employment benefits, including life insurance, disability insurance, extended health and dental coverage and a health care spending account.

Risks of Compensation Policies and Practices

The Board and the Compensation Committee have not formally considered the implications of the risks associated with the Corporation’s compensation policies and practices. The Corporation’s compensation policies and practices give significant weight toward long-term incentives to mitigate the risk of encouraging short-term goals at the expense of long-term sustainability. The discretionary nature of the bonus awards under the Bonus Plan and of the Option grants under the Stock Option Plan are significant elements of the Corporation’s compensation program and provide the Board with the ability to reward historical performance and behaviour that the Board considers to be aligned with the Corporation’s best interests. This large “at-risk” component mitigates the risk of compensation misalignment as it is not guaranteed and is variable year-over-year, depending on performance. In addition, all of the Options granted to date to the Named Executive Officers have a vesting period of three years and an expiry date of five years from the date of grant. This encourages the Named Executive Officers to continue to create shareholder value over a longer period of time, provides a retention incentive and reduces the risk of actions that may create unfavourable impacts in the short-term. Further, the Corporation’s compensation program is structured consistently for all Named Executive Officers.

Anti-Hedging Policy

Birchcliff has implemented a policy which restricts its directors and officers from knowingly selling, directly or indirectly, a security of the Corporation if such person selling such security does not own or has not fully paid for the security to be sold. Directors and officers of the Corporation may not, directly or indirectly, sell a call or buy a put in respect of a security of the Corporation or any of its affiliates. Notwithstanding these prohibitions, a director or officer of the Corporation may sell a security which such person does not own if they own another security convertible into the security sold or an option or right to acquire the security sold and, within 10 days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the security so acquired to the purchaser; or (ii) transfers the convertible security, option or right, if transferable to the purchaser.

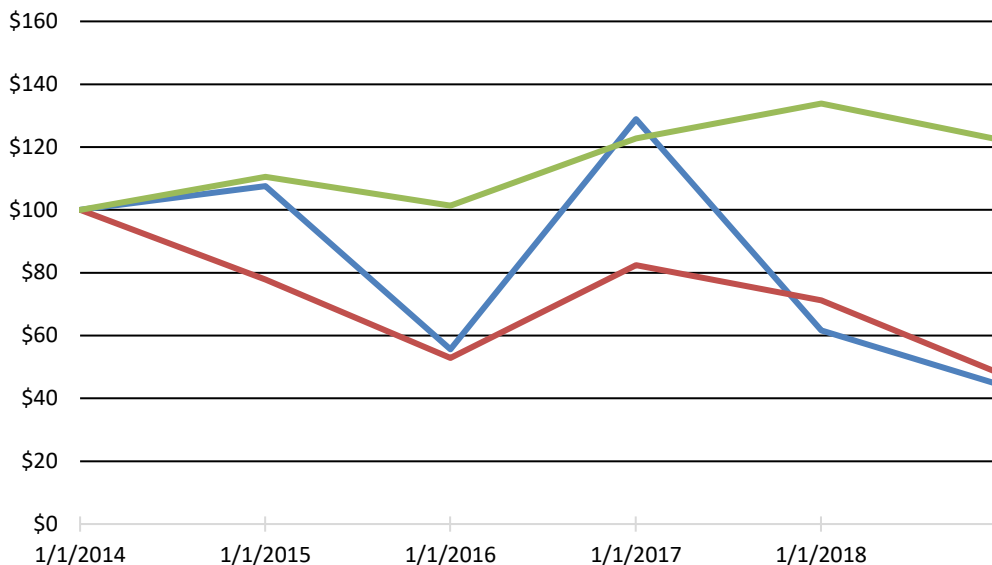
As a matter of corporate policy, hedging transactions involving directors and officers are prohibited. Directors and officers may not, for the purpose of hedging to protect against a decrease in the market price or value of an equity-based award or securities of the Corporation, buy, sell or enter into any derivative instruments, agreements or securities, the market price, value or payment obligations of which are derived from, referenced to or based on the value of the applicable securities, or any other derivative instruments, agreements, arrangements, or understandings (commonly known as equity monetization transactions) the effect of which is to alter, directly or indirectly, the director’s or officer’s economic interest in securities of, or economic exposure to, the Corporation.

Performance Graph

The following graph compares Birchcliff’s cumulative total shareholder return over the five most recently completed financial years with the cumulative total shareholder return on the S&P/TSX Composite Total Return Index and the

Oil & Gas Exploration & Production Total Return Index, assuming a notional \$100.00 investment on the first day of the five year period and the reinvestment of all dividends.

2014 - 2018 Performance Graph



	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	12/31/2018
Birchcliff Total Return	100.00	107.57	55.57	128.89	61.62	43.76
Oil & Gas E&P Total Return	100.00	77.87	52.88	82.45	71.24	47.18
S&P/TSX Comp Total Return	100.00	110.55	101.34	122.71	133.85	121.96

— Birchcliff Total Return — Oil & Gas E&P Total Return — S&P/TSX Comp Total Return

The decrease in the closing trading price of the Common Shares on December 31, 2018 relative to the closing trading price of the Common Shares on January 1, 2014 was greater than the comparable relative decrease in value of the S&P/TSX Composite Total Return Index and the Oil & Gas Exploration & Production Total Return Index. On a relative basis, the closing trading price of the Common Shares on December 31, 2018 was 56% lower than the closing trading price of the Common Shares on January 1, 2014. On a similar relative basis, the closing value of the Oil & Gas Exploration & Production Total Return Index on December 31, 2018 was 53% lower than the closing value of such index on January 1, 2014. Management believes that the Common Share performance over the period is largely a reflection of macroeconomic and industry conditions beyond Birchcliff’s control, including continued depressed commodity prices and political and regulatory uncertainty.

Compensation for the current Named Executive Officers remained fairly consistent from 2014 to 2016 followed by an increase in 2017 and subsequent decrease in 2018, after excluding the effects of the one-time benefit resulting from the implementation of the Executive Retirement Benefit (being additional amounts reported for 2018 of \$3,595,072 in the case of Mr. Tonken, \$1,544,631 in the case of Mr. Bosman, \$1,371,548 in the case of Mr. Geremia and \$1,332,824 in the case of Mr. Humphreys) and the extension of the Performance Warrants in 2014 (being additional amounts reported for 2014 of \$481,100 in the case of each of Messrs. Tonken and Geremia and \$302,900 in the case of Mr. Bosman). See “Executive Compensation – Pension Plan Benefits”.

An increase or decline in the trading price of the Common Shares has a direct impact on the current and future compensation values of long-term incentives, namely Options granted under the Stock Option Plan and the Performance Warrants. Additionally, the performance of the Common Shares is considered by management and the Compensation Committee as part of the comprehensive annual review of corporate performance, which is evidenced by the decrease in the Named Executive Officer bonuses for 2017 and 2018 from 2016. With that said,

executive compensation decisions are based on the broad range of factors discussed above and are not directly tied to the trading price of the Common Shares, particularly when the trading price is significantly influenced by external factors beyond Birchcliff's control.

Summary Compensation for Named Executive Officers

The following table provides a summary of the compensation earned by each Named Executive Officer for the three most recently completed financial years:

Name and Principal Position	Year	Salary (\$)	Option-based awards ⁽¹⁾ (\$)	Annual incentive plans ⁽²⁾ (\$)	Pension value ⁽³⁾ (\$)	All other compensation ⁽⁴⁾ (\$)	Total compensation (\$)
A. Jeffery Tonken ⁽⁵⁾ President and Chief Executive Officer	2018	525,000	196,000	550,000	3,595,072	26,250	4,892,322
	2017	480,000	612,000	550,000	–	24,000	1,666,000
	2016	480,000	165,200	650,000	–	24,000	1,319,200
Myles R. Bosman Vice-President, Exploration and Chief Operating Officer	2018	481,000	196,000	550,000	1,544,631	24,050	2,795,681
	2017	438,000	612,000	550,000	–	21,900	1,621,900
	2016	438,000	165,200	650,000	–	21,900	1,275,100
Christopher A. Carlsen Vice-President, Engineering	2018	481,000	196,000	550,000	–	24,050	1,251,050
	2017	438,000	612,000	550,000	–	21,900	1,621,900
	2016	438,000	165,200	650,000	–	21,900	1,275,100
Bruno P. Geremia Vice-President and Chief Financial Officer	2018	481,000	196,000	550,000	1,371,548	24,050	2,622,598
	2017	438,000	612,000	550,000	–	21,900	1,621,900
	2016	438,000	165,200	650,000	–	21,900	1,275,100
Dave M. Humphreys Vice-President, Operations	2018	481,000	196,000	550,000	1,332,824	24,050	2,583,874
	2017	438,000	612,000	550,000	–	21,900	1,621,900
	2016	438,000	165,200	650,000	–	21,900	1,275,100

- (1) The Corporation has calculated the grant date fair value of the Options granted to the Named Executive Officers using the Black-Scholes-Merton model. The Corporation chose the Black-Scholes-Merton model because it is recognized as the most common methodology used for valuing Options and doing value comparisons. The value of each Option granted on February 19, 2018 under International Financial Reporting Standards ("IFRS") was \$0.98 and the Black-Scholes-Merton assumptions used were: (i) an initial expected life of 4.0 years; (ii) a historical volatility of 49.6%; (iii) a risk-free interest rate of 2.0%; and (iv) a dividend yield of 3.3%. The value of each Option granted on February 13, 2017 under IFRS was \$3.06 and the Black-Scholes-Merton assumptions used were: (i) an initial expected life of 4.0 years; (ii) a historical volatility of 49.3%; and (iii) a risk-free interest rate of 1.0%. The value of each Option granted on January 21, 2016 under IFRS was \$1.18 and the Black-Scholes-Merton assumptions used were: (i) an initial expected life of 4.0 years; (ii) a historical volatility of 44.8%; and (iii) a risk-free interest rate of 0.6%. The aggregate number of Options held by each of the Named Executive Officers as at December 31, 2018 is disclosed in the table under the heading "Executive Compensation – Incentive Plan Awards – Outstanding Option-Based Awards".
- (2) The amounts under "Annual incentive plans" represent cash bonuses that were paid under the Bonus Plan. The bonuses disclosed in the table for each year were earned in respect of performance for that year and paid in the following year. The only non-equity incentive plan the Corporation has is the Bonus Plan.
- (3) These amounts relate to the Executive Retirement Benefit and reflect the compensatory changes in pensions as at December 31, 2018 as set forth in the table under the heading "Executive Compensation – Pension Plan Benefits".
- (4) The amounts under "All other compensation" reflect the matching contributions made by the Corporation on behalf of the Named Executive Officers under the Group Savings Plan. See "Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Group Savings Plan and Benefits". For each of the three most recently completed financial years, the value of perquisites and benefits for each Named Executive Officer that are not generally available to all employees is less than \$50,000 and less than 10% of each Named Executive Officer's total salary.
- (5) Mr. Tonken also serves as a director of the Corporation; however, he receives no compensation in his capacity as a director of the Corporation.

The Corporation does not currently have any share-based awards or non-equity long-term incentive plans as such terms are defined in Form 51-102F6 – *Statement of Executive Compensation*.

The following table provides a comparison between the amount of total compensation reported in the summary compensation table above and the amount of compensation realized by the Named Executive Officers in 2018, 2017 and 2016:

Reported vs. Realized Named Executive Officer Total Compensation					
Name	Year	Total reported compensation (\$) ⁽¹⁾	Total realized compensation (\$) ⁽²⁾	Realized vs. Reported compensation (\$)	Realized as a percentage of reported compensation (%)
A. Jeffery Tonken	2018	4,892,322	1,112,977	(3,779,345)	23
President and	2017	1,666,000	1,422,336	(243,664)	85
Chief Executive Officer	2016	1,319,200	1,161,685	(157,515)	88
Myles R. Bosman	2018	2,795,681	1,066,777	(1,728,904)	38
Vice-President, Exploration	2017	1,621,900	1,021,736	(600,164)	63
and Chief Operating Officer	2016	1,275,100	1,824,585	549,485	143
Christopher A. Carlsen	2018	1,251,050	1,067,277	(183,773)	85
Vice-President,	2017	1,621,900	1,194,136	(427,764)	74
Engineering	2016	1,275,100	1,118,085	(157,015)	88
Bruno P. Geremia	2018	2,622,598	1,067,027	(1,555,571)	41
Vice-President	2017	1,621,900	1,325,486	(296,414)	82
and Chief Financial Officer	2016	1,275,100	1,117,835	(157,265)	88
Dave M. Humphreys	2018	2,583,874	1,066,777	(1,517,097)	41
Vice-President, Operations	2017	1,621,900	1,020,736	(601,164)	63
	2016	1,275,100	1,824,585	549,485	143

(1) Represents the total compensation for the Named Executive Officer as reported by Birchcliff pursuant to the requirements of Form 51-102F6 – *Statement of Executive Compensation* in the last column of the summary compensation table.

(2) Represents the total compensation actually received by the Named Executive Officer with respect to the applicable year, based on income as reported on the Named Executive Officer's official tax slip, adjusted to reflect that annual bonuses paid pursuant to the Bonus Plan for a year are not paid until the following year. For example, the 2018 realized compensation above is the Named Executive Officer's income as per their 2018 tax slip, minus the annual bonus paid in February 2018 (which applied to 2017 performance), plus the annual bonus paid in February 2019 (which applied to 2018 performance).

The differences between the amounts reported in the summary compensation table pursuant to regulatory requirements and the actual amounts realized by the Named Executive Officers show the ongoing impact that the trading price of the Common Shares has had on the total compensation of Named Executive Officers. Additionally, the realized amounts eliminate the effects of the pension plan amounts that are required to be reported as a result of accounting accruals with respect to the Executive Retirement Benefit, as the Named Executive Officers have not received these amounts as they are not entitled to them until the Eligibility Requirements are met. See *“Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Executive Retirement Benefit”* and *“Executive Compensation – Pension Plan Benefits”*.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards (consisting of Options and Performance Warrants) that were outstanding at the end of the financial year ended December 31, 2018 for the Named Executive Officers:

Name	Number of securities underlying unexercised Options or Performance Warrants		Exercise price (\$)	Expiration date	Value of unexercised in-the-money Options or Performance Warrants ⁽¹⁾ (\$)
	(#)				
A. Jeffery Tonken	140,000 ⁽²⁾		8.63	January 27, 2019	–
President and Chief Executive Officer	140,000 ⁽²⁾		6.53	January 23, 2020	–
	140,000 ⁽²⁾		3.35	January 21, 2021	–
	200,000 ⁽²⁾		7.85	February 13, 2022	–
	200,000 ⁽²⁾		3.07	February 19, 2023	–
	809,933 ⁽³⁾		3.00	January 31, 2020	32,397
Myles R. Bosman	140,000 ⁽²⁾		8.63	January 27, 2019	–
Vice-President, Exploration and Chief Operating Officer	140,000 ⁽²⁾		6.53	January 23, 2020	–
	140,000 ⁽²⁾		3.35	January 21, 2021	–
	200,000 ⁽²⁾		7.85	February 13, 2022	–
	200,000 ⁽²⁾		3.07	February 19, 2023	–
	509,933 ⁽³⁾		3.00	January 31, 2020	20,397
Christopher A. Carlsen	140,000 ⁽²⁾		8.63	January 27, 2019	–
Vice-President, Engineering	140,000 ⁽²⁾		6.53	January 23, 2020	–
	140,000 ⁽²⁾		3.35	January 21, 2021	–
	200,000 ⁽²⁾		7.85	February 13, 2022	–
	200,000 ⁽²⁾		3.07	February 19, 2023	–
Bruno P. Geremia	140,000 ⁽²⁾		8.63	January 27, 2019	–
Vice-President and Chief Financial Officer	140,000 ⁽²⁾		6.53	January 23, 2020	–
	140,000 ⁽²⁾		3.35	January 21, 2021	–
	200,000 ⁽²⁾		7.85	February 13, 2022	–
	200,000 ⁽²⁾		3.07	February 19, 2023	–
	809,933 ⁽³⁾⁽⁴⁾		3.00	January 31, 2020	32,397 ⁽⁴⁾
Dave M. Humphreys	140,000 ⁽²⁾		8.63	January 27, 2019	–
Vice-President, Operations	140,000 ⁽²⁾		6.53	January 23, 2020	–
	140,000 ⁽²⁾		3.35	January 21, 2021	–
	200,000 ⁽²⁾		7.85	February 13, 2022	–
	200,000 ⁽²⁾		3.07	February 19, 2023	–

(1) Value is calculated based on the difference between the closing price of the Common Shares on the TSX on December 31, 2018 (being the last trading day of the year) of \$3.04 and the exercise price of the Options or Performance Warrants, as applicable.

(2) Represents Options.

(3) Represents Performance Warrants.

(4) 50% of this amount is held in trust for the benefit of Mr. Geremia's former spouse. Mr. Geremia does not exercise control or direction over these securities.

For a description of the process used by the Corporation to grant option-based awards to the Named Executive Officers, see the disclosure under the headings “Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – The Stock Option Plan” and “Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Performance Warrants”. For a more detailed description of the Stock Option Plan and the Performance Warrants, see the disclosure under the headings “Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – The Stock Option Plan” and “Business of the Meeting – Amendment of Performance Warrants”, respectively.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information in respect of the value of incentive plan awards vested or earned during the Corporation's financial year ended December 31, 2018, in respect of option-based and non-equity incentive plan awards for the Named Executive Officers:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year ⁽²⁾ (\$)
A. Jeffery Tonken President and Chief Executive Officer	–	550,000
Myles R. Bosman Vice-President, Exploration and Chief Operating Officer	–	550,000
Christopher A. Carlsen Vice-President, Engineering	–	550,000
Bruno P. Geremia Vice-President and Chief Financial Officer	–	550,000
Dave M. Humphreys Vice-President, Operations	–	550,000

(1) Value is calculated for each of the Options based on the difference between the closing price of the Common Shares on the TSX on the vesting date for such Options or, if such day was not a trading day, the following trading day, and the exercise price of the Options.

(2) Non-equity incentive plan compensation represents the cash bonuses earned under the Bonus Plan for the financial year ended December 31, 2018.

Pension Plan Benefits

The Corporation does not have a defined contribution plan. The Executive Retirement Benefit constitutes a defined benefit plan under IFRS. The following table sets forth information in respect of such defined benefit plan for the financial year ended December 31, 2018:

Name	Number of years of credited service ⁽¹⁾	Annual benefits payable (\$) ⁽²⁾⁽³⁾		Opening present value of defined benefit obligation (\$) ⁽⁵⁾	Compensatory change (\$) ⁽⁶⁾	Non-compensatory change (\$) ⁽⁷⁾	Closing present value of defined benefit obligation (\$) ⁽³⁾⁽⁵⁾
		At year end	At age 62 ⁽⁴⁾				
A. Jeffery Tonken President and Chief Executive Officer	10	3,595,072	3,595,072	–	3,595,072	–	3,595,072
Myles R. Bosman Vice-President, Exploration and Chief Operating Officer	9	–	–	–	1,544,631	–	1,544,631
Christopher A. Carlsen Vice-President, Engineering	–	–	–	–	–	–	–
Bruno P. Geremia Vice-President and Chief Financial Officer	8	–	–	–	1,371,548	–	1,371,548
Dave M. Humphreys Vice-President, Operations	8	–	–	–	1,332,824	–	1,332,824

(1) Reflects the number of years of credited service to each Named Executive Officer at December 31, 2018. The maximum number of years of credited service that can be accrued to each Named Executive Officer is 10 years. Each Named Executive Officer's credited years of service begins to accrue at the age of 45, ten years prior to reaching the age eligibility requirement of 55. Mr. Carlsen had not reached the age of 45 at December 31, 2018 and was therefore not eligible to be credited years of service.

(2) Represents the Executive Retirement Benefit entitlement for the periods indicated. As at December 31, 2018, none of the Named Executive Officers except for Mr. Tonken have reached the age of 55 and been employed by Birchcliff for a consecutive period of at least 10 years. Accordingly, such other Named Executive Officers were not eligible for the Executive Retirement Benefit for the periods indicated.

(3) If the Named Executive Officer does not meet the Eligibility Requirements prior to termination, the Executive Retirement Benefit and pension obligation is nil.

- (4) In determining the annual benefits payable and the pension obligation for the period indicated, for financial statement reporting purposes the Corporation assumes that at age 62 each Named Executive Officer's service to Birchcliff will be substantially realized.
- (5) The defined benefit obligation is the estimated present value of the pension obligation using the actuarial assumptions and methods that are consistent with those used in determining the pension obligation under IFRS as disclosed by Birchcliff in its audited financial statements for the year ended December 31, 2018. See notes 3 and 14 in Birchcliff's audited financial statements for the year ended December 31, 2018. The methods and assumptions used to determine the estimated amounts may not be identical to those used by other companies and as a result may not be directly comparable to the amounts disclosed by other companies.
- (6) The amounts under "Compensatory change" represent the increase (decrease) in the pension obligation related to: past and current service costs; compensation changes higher or lower than the accrual assumptions used in Birchcliff's audited financial statements for the year ended December 31, 2018; and the impact of plan changes, if any. This amount may fluctuate significantly from year-to-year as any changes in compensation impact the pension plan obligation. The compensatory change for 2018, which reflects the first year of the pension plan, was determined using actuarial assumptions and methods that are consistent with those used in determining the pension obligation under IFRS and reflects the past service costs from the period each Named Executive Officer reached the age of 45 to December 31, 2018.
- (7) The amounts under "Non-compensatory change" include items such as, but not limited to, interest on the obligation, changes in assumptions for future salary projections and changes to the discount rate.

See "Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Executive Retirement Benefit" and "Executive Compensation – Termination and Change of Control Benefits".

Termination and Change of Control Benefits

Each of the Named Executive Officers is a party to an Employment Agreement with the Corporation. The Employment Agreements are for an indefinite term and contain provisions for certain payments to be made to each of the Named Executive Officers upon: (i) the termination of a Named Executive Officer without just cause; (ii) the resignation of a Named Executive Officer following a change of control (as such term is defined in the Employment Agreements) or constructive dismissal; or (iii) a change of duties or remuneration of a Named Executive Officer following a change of control (collectively, the "Employment Agreement Termination Payments").

The following table sets forth a summary of the potential payments and other benefits that are payable or otherwise provided to the Named Executive Officers pursuant to the Employment Agreements upon the occurrence of the triggering events set forth below, as well as certain conditions and obligations related to the Named Executive Officer's employment as provided for in the Employment Agreements:

Triggering Event	Potential Payments and Benefits
Termination without just cause, resignation within 30 days following a change of control or constructive dismissal, or a change of duties or remuneration following a change of control	<ul style="list-style-type: none"> • A lump sum equal to: (i) the Named Executive Officer's current annual salary owed to the date of termination; and (ii) an amount equal to "Annual Compensation"⁽¹⁾ multiplied by two⁽²⁾. • All outstanding and accrued vacation pay. • All previously unvested convertible or exchangeable securities to acquire Common Shares or other securities of the Corporation will become immediately exercisable and shall remain exercisable until the later of 180 days following the date of termination and January 31 of the following calendar year. • The Corporation will continue to maintain all of the Named Executive Officer's Corporation-paid life, medical and dental insurance benefits at the level existing as at the date of a change of control or the date of termination until: (i) the Named Executive Officer obtains alternative employment that provides employment benefits of a comparable nature; (ii) the death of the Named Executive Officer; or (iii) a period of two months from the date of termination shall have expired, whichever should first occur⁽²⁾. • Confidentiality obligations and non-solicitation of employees for a period of one year following termination.
Termination for just cause	<ul style="list-style-type: none"> • Any unpaid portion of salary accrued to the date of termination, any amounts due for unused vacation and any outstanding expenses not yet reimbursed. • Confidentiality obligations and non-solicitation of employees for a period of one year following termination.

(1) "Annual Compensation" is defined in the Employment Agreements to generally mean the sum of: (i) the annual salary of the Named Executive Officer in effect at the date of termination; plus (ii) the simple average of the aggregate amount the Named Executive Officer has received or is entitled to receive from Birchcliff

in respect of each of the last two fiscal years ended prior to the date of termination pursuant to any profit sharing, officer or employee incentive, compensation or bonus program; plus (iii) the annual cost of providing the Named Executive Officer with the employment benefits to which such officer is entitled.

- (2) As at December 31, 2018, Mr. Tonken was over the age of 55 and has been employed by Birchcliff for a consecutive period of 10 years. Accordingly, in the event of the termination of his employment without just cause, he would only be entitled to the Executive Retirement Benefit and he would not be entitled to the Employment Agreement Termination Payment or the benefits described above.

Each of the Employment Agreements was amended effective December 14, 2018 (collectively, the “**Amending Agreements**”). The Amending Agreements provide that, notwithstanding the terms of the Employment Agreement, the Named Executive Officers shall be entitled to the Executive Retirement Benefit upon meeting the Eligibility Requirements. Upon meeting the Eligibility Requirements, each of the Named Executive Officers will be entitled to their respective Executive Retirement Benefit at the time their employment with Birchcliff ceases. See “*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Executive Retirement Benefit*”. The Executive Retirement Benefit provides for the treatment of securities convertible into or exchangeable for Common Shares in the same manner as if the Named Executive Officer was terminated other than for “Just Cause” pursuant to the Employment Agreement. If a Named Executive Officer receives payment of the Executive Retirement Benefit, he shall not be entitled to any other benefit, amount or payment pursuant to the provisions of his Employment Agreement dealing with remuneration, benefits and termination (including the Employment Agreement Termination Payment described above), or any other severance, payment or compensation for loss of employment pursuant to the common law or otherwise.

The following table sets forth the estimated incremental payments and benefits that would be received by Mr. Tonken pursuant to his Employment Agreement, as amended by his Amending Agreement, upon the occurrence of the termination of his employment without just cause, assuming the date of termination was December 31, 2018:

Name	Termination of Employment Without Just Cause
A. Jeffery Tonken President and Chief Executive Officer	Executive Retirement Benefit: \$3,595,072 ⁽¹⁾ Accelerated Option Vesting Value: \$0 ⁽²⁾ Total: \$3,595,072

- (1) This amount represents the value of Mr. Tonken’s estimated Executive Retirement Benefit as at December 31, 2018. As at December 31, 2018, Mr. Tonken was over the age of 55 and has been employed by Birchcliff for a consecutive period of 10 years. Accordingly, in the event of the termination of his employment without just cause, he would only be entitled to the Executive Retirement Benefit and he would not be entitled to the Employment Agreement Termination Payment or the benefits described above.

- (2) Calculated based on the difference between the market price of the Common Shares underlying the accelerated Options (which is based on the closing price of the Common Shares on the TSX on December 31, 2018 (being the last trading day of the year) of \$3.04) and the exercise price of the Options.

The following table sets forth the estimated incremental payments and benefits that would be received by each of the other Named Executive Officers pursuant to their respective Employment Agreements upon the occurrence of the triggering events set forth in the table below, in each case assuming the date of the triggering event was December 31, 2018:

Name	Termination of Employment Without Just Cause, Resignation Following a Change of Control or a Constructive Dismissal, or a Change of Duties or Remuneration Following a Change of Control⁽¹⁾
Myles R. Bosman Vice-President, Exploration and Chief Operating Officer	Payment Pursuant to Employment Agreement: \$2,305,050 ⁽²⁾ Accelerated Option Vesting Value: \$0 ⁽³⁾ Total: \$2,305,050
Christopher A. Carlsen Vice-President, Engineering	Payment Pursuant to Employment Agreement: \$2,305,050 ⁽²⁾ Accelerated Option Vesting Value: \$0 ⁽³⁾ Total: \$2,305,050
Bruno P. Geremia Vice-President and Chief Financial Officer	Payment Pursuant to Employment Agreement: \$2,298,060 ⁽²⁾ Accelerated Option Vesting Value: \$0 ⁽³⁾ Total: \$2,298,060
Dave M. Humphreys Vice-President, Operations	Payment Pursuant to Employment Agreement: \$2,304,050 ⁽²⁾ Accelerated Option Vesting Value: \$0 ⁽³⁾ Total: \$2,304,050

- (1) As at December 31, 2018, none of the other Named Executive Officers have reached the age of 55 and been employed by Birchcliff for a consecutive period of at least 10 years. Accordingly, none of the other Named Executive Officers were eligible for the Executive Retirement Benefit as at December 31, 2018.

- (2) Includes the total value of the “Annual Compensation” as defined in the Employment Agreements multiplied by two and assumes no salary or vacation pay owing at the date of termination. In addition, the Employment Agreements provide that the Corporation will continue to maintain all of the Named Executive Officer’s Corporation-paid life, medical and dental insurance benefits at the level existing as at the date of a change of control or the date of termination until:
 - (i) the Named Executive Officer obtains alternative employment that provides employment benefits of a comparable nature; (ii) the death of the Named Executive Officer; or (iii) a period of two months from the date of termination shall have expired, whichever should first occur. At December 31, 2018, the value of such benefits for a period of two months from the date of the triggering event was equal to approximately \$2,600 for each Named Executive Officer.
- (3) Calculated based on the difference between the market price of the Common Shares underlying the accelerated Options (which is based on the closing price of the Common Shares on the TSX on December 31, 2018 (being the last trading day of the year) of \$3.04) and the exercise price of the Options.

In addition, the Stock Option Plan contains various provisions that apply in the context of a transaction resulting in a “change of control” (as such term is defined in the Stock Option Plan). In most change of control situations, all unvested Options will be vested. In the context of a change of control where not less than 66²/₃% of vested Options have been exercised, all remaining unexercised Options shall expire and automatically terminate on the date of closing of the change of control transaction and the Corporation shall make a cash payment to the former holders of such Options in an amount equal to the “in-the-money” value of such expired Options at such time. Assuming a change of control occurred on December 31, 2018, the estimated incremental value of the unvested Options for which vesting would be accelerated for each of the Named Executive Officers is nil based on the difference between the market price of the Common Shares underlying the accelerated Options (which is based on the closing price of the Common Shares on the TSX on December 31, 2018 of \$3.04) and the exercise price of the Options.

DIRECTOR COMPENSATION

Summary Compensation for Directors

Matters related to the compensation of the non-employee directors of the Corporation are approved by the Compensation Committee, which then makes a recommendation to the full Board for approval. Compensation for the non-employee directors of the Corporation currently consists of an annual retainer and a fee for each meeting of the Board or any committee thereof attended. Meeting fees are typically paid periodically throughout the year and the annual retainer is typically paid following the annual meeting of shareholders of the Corporation. During the financial year ended December 31, 2018, the per meeting fees were \$1,500. The retainer for the period from January 1, 2018 to May 10, 2018 was \$90,000, which increased to \$120,000 following the annual and special meeting of the shareholders of the Corporation held on May 10, 2018. Neither Mr. Tonken nor Mr. Surbey receive any compensation in their capacity as directors of the Corporation. Mr. Surbey receives compensation as an employee of the Corporation, all of which is set forth in the table below. Compensation information for Mr. Tonken is provided under the heading “*Executive Compensation – Summary Compensation for Named Executive Officers*”.

While the directors may be granted Options under the Stock Option Plan, no Options have been granted to non-employee directors since 2011. Mr. Surbey was previously granted Options in his capacity as an executive officer of the Corporation and he was last granted Options on February 13, 2017. Mr. Surbey has not been granted any Options in his capacity as a director of the Corporation.

The following table sets forth information in respect of all amounts of compensation provided to the directors of the Corporation for the financial year ended December 31, 2018, excluding Mr. Tonken:

Name	Annual retainer and meeting fees earned	Option-based awards	All other compensation ⁽¹⁾	Total
	(\$)	(\$)	(\$)	(\$)
Current Board Members				
Dennis A. Dawson	163,500	–	19,033	182,533
Debra A. Gerlach	163,500	–	26,945	190,445
Stacey E. McDonald ⁽²⁾	5,918	–	0	5,918
James W. Surbey ⁽³⁾	0	–	177,985	177,985
Former Board Members				
Larry A. Shaw ⁽⁴⁾	25,500	–	5,249	30,749
Rebecca J. Morley ⁽⁵⁾	163,500	–	16,956	180,456

- (1) Includes: (i) life and medical insurance premiums and Best Doctors Medical Access and medical travel insurance in the case of Mr. Dawson, Ms. Morley, Ms. Gerlach and Mr. Surbey; (ii) reimbursement of amounts under the Corporation's health care spending account in the case of Mr. Dawson, Ms. Gerlach and Mr. Surbey; (iii) taxable parking benefits in the case of Mr. Shaw and Mr. Surbey; and (iv) additional medical benefits in the case of Ms. Gerlach and Mr. Surbey.
- (2) Ms. McDonald was appointed as a member of the Board effective December 14, 2018. The amounts set forth in the table above represent her pro rated annual retainer fee for the financial year ended December 31, 2018.
- (3) Mr. Surbey receives compensation as an employee of Birchcliff and therefore does not receive compensation in his capacity as a director. All compensation in the table refers to Mr. Surbey's employment compensation, including his annual salary and vacation pay of \$132,475, as well as the benefits set out above.
- (4) Mr. Shaw did not stand for re-election at the Corporation's annual and special shareholders' meeting held on May 10, 2018 and ceased to be a director of the Corporation on that date.
- (5) Ms. Morley resigned as a member of the Board effective December 14, 2018.

Incentive Plan Awards

Outstanding Option-Based Awards

At the end of December 31, 2018, there were no outstanding option-based awards held by the directors of the Corporation, other than Mr. Tonken and Mr. Surbey. As discussed above, Mr. Surbey was previously granted Options in his capacity as an executive officer of the Corporation. Mr. Surbey was also granted Performance Warrants in 2005. See "Business of the Meeting – Amendment of Performance Warrants".

The following table sets forth information in respect of all option-based awards (consisting of Options and Performance Warrants) that were outstanding at the end of the financial year ended December 31, 2018 for Mr. Surbey:

Name	Number of securities underlying unexercised Options or Performance Warrants	Exercise price (\$)	Expiration date	Value of unexercised in-the-money Options or Performance Warrants ⁽¹⁾ (\$)
	(#)			
James W. Surbey	140,000 ⁽²⁾	8.63	January 27, 2019	–
	140,000 ⁽²⁾	6.53	January 23, 2020	–
	140,000 ⁽²⁾	3.35	January 21, 2021	–
	100,000 ⁽²⁾	7.85	February 13, 2022	–
	809,933 ⁽³⁾	3.00	January 31, 2020	32,397

- (1) Value is calculated based on the difference between the closing price of the Common Shares on the TSX on December 31, 2018 (being the last trading day of the year) of \$3.04 and the exercise price of the Options or Performance Warrants, as applicable.
- (2) Represents Options.
- (3) Represents Performance Warrants.

For a more detailed description of the Stock Option Plan and the Performance Warrants, see the disclosure under the headings "Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – The Stock Option Plan" and "Business of the Meeting – Amendment of Performance Warrants", respectively.

Incentive Plan Awards – Value Vested or Earned During the Year

During the financial year ended December 31, 2018, no value vested in respect of any option-based awards held by any of the directors and no non-equity incentive plan compensation was earned by any of the directors, other than Mr. Tonken.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the details relating to the outstanding equity compensation plans of the Corporation at December 31, 2018:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding Options, Performance Warrants and rights (A)	Weighted-average exercise price of outstanding Options, Performance Warrants and rights (B)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding those reflected in column (A)) (C)
Equity Compensation Plans approved by shareholders ⁽¹⁾	Options: 15,847,570 Performance Warrants: 2,939,732 Options and Performance Warrants: 18,787,302	Options: \$5.74 Performance Warrants: \$3.00 Options and Performance Warrants: \$5.31	Options: 10,743,566 ⁽²⁾ Performance Warrants: Nil Options and Performance Warrants: 10,743,566
Equity Compensation Plans not approved by shareholders	Nil	N/A	N/A

(1) For a description of the Stock Option Plan and the Performance Warrants, see “Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – The Stock Option Plan” and “Business of the Meeting – Amendment of Performance Warrants”, respectively.

(2) The maximum number of Common Shares issuable under Options that are issued and outstanding at any time under the Stock Option Plan shall not exceed 10% of the aggregate number of Common Shares actually outstanding at that time, as determined on a non-diluted basis. At December 31, 2018, there were 265,911,362 Common Shares issued and outstanding. Accordingly, at December 31, 2018, a maximum of 26,591,136 Common Shares could be issued under the Stock Option Plan, leaving 10,743,566 Common Shares available for issuance under the Stock Option Plan.

During the year ended December 31, 2018, an aggregate of 114,664 Common Shares were issued pursuant to the exercise of Options.

The following table sets forth the number of Options granted during the three most recently completed financial years and the potential dilutive effect of such Options:

Plan ⁽¹⁾	Year	Weighted-average Common Shares		
		Number of Options Granted (A)	Outstanding ⁽²⁾ (B)	Burn Rate (A)/(B) ⁽³⁾ (C)
Stock Option Plan	2016	3,356,000	199,581,368	1.68%
	2017	4,867,400	265,182,317	1.84%
	2018	4,734,900	267,323,274	1.77%

(1) Performance Warrants are not included in this table as the Corporation has not issued any Performance Warrants since 2005. Accordingly, the burn rate for the past three financial years for the Performance Warrants is zero.

(2) The weighted average number of Common Shares outstanding during the year is the number of Common Shares outstanding at the beginning of the year, adjusted by the number of Common Shares bought back or issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the Common Shares are outstanding as a proportion of the total number of days in the year.

(3) The burn rate is calculated as follows and expressed as a percentage: (i) the number of Stock Options granted under the Stock Option Plan during the applicable financial year, divided by (ii) the weighted average number of Common Shares outstanding for the applicable financial year.

CORPORATE GOVERNANCE DISCLOSURE

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, the Corporation is required to include in this Information Circular the disclosure required under Form 58-101F1.

Board of Directors

Birchcliff considers a director to be “independent” if the director is independent within the meaning of Section 1.4 of National Instrument 52-110 – *Audit Committees (“NI 52-110”)*. The Board currently consists of five directors, three of whom are independent. Accordingly, a majority of the directors are independent. The current independent directors are Dennis A. Dawson, Debra A. Gerlach and Stacey E. McDonald. Mr. Tonken is not considered to be an

independent director by virtue of his position as the President and Chief Executive Officer of the Corporation. Mr. Surbey is not considered to be an independent director by virtue of his previous position as the Vice-President, Corporate Development of the Corporation and due to the fact that he is an employee of the Corporation. At the Meeting, shareholders will be asked to elect each of the current directors of the Corporation. See “*Business of the Meeting – Election of Directors*”.

Mr. Tonken has been the Chairman of the Board since May 11, 2017. As Mr. Tonken is not considered independent, Mr. Dawson was appointed as the independent Lead Director at that time. The primary role of the Lead Director is to act as a liaison between the independent directors of the Board and the management of the Corporation to ensure that the Board is organized properly, functions effectively and meets its obligations and responsibilities. In furtherance of these responsibilities, the duties of the Lead Director include: (i) assisting the Chairman of the Board in ensuring that the Board is able to function independently of management; (ii) chairing the *in camera* portions of the Board meetings held without the management of the Corporation or any non-independent director being present; and (iii) acting as a liaison between the Chairman and the independent directors on any sensitive issues.

Independent Board members conduct *in camera* sessions following regularly scheduled Board meetings unless the directors decide that one is not required. During the year ended December 31, 2018, a total of 11 *in camera* sessions were held by the independent directors of the Corporation. In addition, the Board facilitates open and candid discussion among its independent directors by encouraging the independent directors to meet by themselves whenever they wish to do so and by ensuring that there is the opportunity for the independent directors to meet without any members of management present at meetings of the Audit Committee, the Reserves Evaluation Committee, the Nominating Committee and the Compensation Committee. The independent directors, as members of the Audit Committee and the Reserves Evaluation Committee also meet privately with the Corporation’s auditors and the Corporation’s independent qualified reserves evaluators for the purposes of planning their activities and thereafter to supervise such activities. These meetings also ensure that the auditors and the independent qualified reserves evaluators have an opportunity to: (i) advise if they received full access to all requested information and received full cooperation of management; and (ii) confirm that they are not subject to any pressure from management, that there are no outstanding disagreements with management, that they are not aware of any evidence of illegal or fraudulent acts and that they are not aware of any other significant matters that should be brought to the attention of the independent directors.

The attendance record of each of the current and former directors for the Board and the Board committee meetings held in 2018 is set forth in the table below:

Director	2018 Board Meetings Attended	2018 Audit Committee Meetings Attended	2018 Compensation Committee Meetings Attended	2018 Reserves Evaluation Committee Meetings Attended	2018 Nominating Committee Meetings Attended
<i>Current Board Members</i>					
Dennis A. Dawson	13 of 13	5 of 5	4 of 4	4 of 4	1 of 1
Debra A. Gerlach	13 of 13	5 of 5	4 of 4	4 of 4	1 of 1
Stacey E. McDonald ⁽¹⁾	N/A	N/A	N/A	N/A	N/A
James W. Surbey ⁽²⁾	13 of 13	N/A	2 of 2	4 of 4	N/A
A. Jeffery Tonken (Chairman)	13 of 13	N/A	N/A	N/A	N/A
<i>Former Board Members</i>					
Larry A. Shaw ⁽³⁾	7 of 7	3 of 3	3 of 3	2 of 2	N/A
Rebecca J. Morley ⁽⁴⁾	13 of 13	5 of 5	4 of 4	4 of 4	1 of 1

(1) Ms. McDonald was appointed as a director of the Corporation and a member of each of the Audit Committee, the Compensation Committee, the Nominating Committee and the Reserves Evaluation Committee effective December 14, 2018. There were no meetings of the Board or any committee of the Board held between the date of her appointment and December 31, 2018.

- (2) Mr. Surbey was a member of the Compensation Committee from May 11, 2017 until he resigned from the committee on March 26, 2018.
- (3) Mr. Shaw did not stand for re-election at the Corporation's annual and special shareholders' meeting held on May 10, 2018 and ceased to be a director of the Corporation on that date.
- (4) Ms. Morley resigned as a director of the Corporation effective December 14, 2018.

None of the directors of the Corporation are directors of any other reporting issuer.

Board Mandate

The Board does not have a written mandate. The Board delineates its role and responsibilities based on the statutory and common law applicable to the Corporation, as well as through ongoing evaluation and review with management of the current needs of the Corporation. The Board believes its mandate is to oversee and direct the management of the business and affairs of the Corporation. While day-to-day management of the Corporation has been delegated by the Board to Birchcliff's executive officers, the Board fulfills its responsibility for the broader stewardship of the Corporation's business and affairs through its regular meetings at which members of the Corporation's management report to the Board with respect to the Corporation's business and operations, make proposals to the Board and receive the Board's decisions for implementation.

To monitor corporate performance, the Board reviews and approves budgets prepared by management on at least an annual basis and periodically receives production updates and internal financial reports. The Board also receives operational, financial and health, safety and environment reports on a quarterly basis. In addition, the Board receives informal updates from the President and Chief Executive Officer on a regular basis. After the end of each year, the Board reviews production growth, finding and development costs, outstanding debt and cash flow as compared to the Corporation's budget.

Position Descriptions

The Board has developed and approved written position descriptions for the Chairman of the Board, the President and Chief Executive Officer and the Chair of each committee of the Board.

The principal role of the Chairman of the Board is to organize and manage the affairs of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities, including those relating to corporate governance matters. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Corporation.

The principal role of the Chief Executive Officer is to provide leadership and direction for the Corporation in accordance with the corporate strategy and objectives approved by the Board. The Chief Executive Officer is ultimately responsible for all day-to-day management decisions and for implementing the Corporation's current and long-term objectives.

The principal role of the Chair of any committee of the Board is to effectively engage and manage the business of the committee.

Orientation and Continuing Education

As new directors join the Board, they are provided with a director's information package, which includes, among other things, copies of the Corporation's Board committee mandates and other corporate governance documents, copies of various corporate policies and copies of the Corporation's constating documents, as well as financial reports, press releases and other continuous disclosure documents of the Corporation. The new director is provided with time to meet with each of the other directors and members of Birchcliff's executive and senior management. These meetings are provided in order for the new director to understand the business, as well as to interact with management and gain an understanding of their respective responsibilities. The Board believes that these procedures are a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation and the experience and expertise of the directors.

The Board supports any relevant educational initiative by any individual director and will reimburse directors for expenses for continuing education programs that relate to their role as a director of Birchcliff. At quarterly meetings, the Board receives an update on Birchcliff's business, operations and performance and a memorandum from management on accounting policy changes. In addition, management periodically provides the Board with continuing education materials relating to Birchcliff, the oil and natural gas industry and/or current issues relating to directors in Canada. The Board is also able to obtain legal and accounting advice whenever it considers it necessary to keep abreast of current developments relating to the obligations of directors.

Ethical Business Conduct

The Board has adopted a written policy of ethical business conduct (the "**Ethics Policy**") for the directors, officers and employees of the Corporation. A copy of the Ethics Policy is available on the Corporation's intranet site and each new employee receives a copy of the Ethics Policy. The Board does not formally monitor compliance with the Ethics Policy; however, all employees agree to comply with all of the Corporation's policies when they commence employment with the Corporation. Any non-compliance with the Ethics Policy would be addressed by management and could result in discipline up to and including termination. The executive officers of Birchcliff would also report non-compliance that would have a material impact on Birchcliff to the Board.

The Board expects that each director will exercise independent judgment in considering transactions and agreements in respect of which such director has a material interest and in those circumstances will comply with applicable law and disclose his or her interest and refrain from participating in discussions or voting on the matter, in accordance with the requirements of the ABCA.

The Audit Committee and the Board have adopted a Whistleblower Policy to provide for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Under the Whistleblower Policy, the Board encourages the submission of all good faith concerns and complaints regarding the Corporation's accounting, auditing and financial reporting matters and provides that no retaliation of any kind is permitted against any individual for complaints or concerns made in good faith.

Nomination of Directors

The Nominating Committee assists the Board in fulfilling its responsibilities with respect to nominations of directors. The members of the Nominating Committee are Mr. Dennis A. Dawson (Chair), Ms. Debra A. Gerlach and Ms. Stacey E. McDonald, all of whom are independent. The Nominating Committee is responsible for, among other things: (i) periodically reviewing the size and composition of the Board and making recommendations to the Board with respect thereto; and (ii) recommending to the Board suitable candidates to be appointed or nominated for election as directors, including at annual meetings of shareholders of the Corporation. In making recommendations to the Board regarding director nominations, the Nominating Committee considers all relevant factors, including: the number of directors required to carry out the Board's duties effectively; the competencies and skills that are considered necessary for the Board, as a whole, to possess; the competencies and skills that the Board currently possesses; the competencies and skills any new nominee would bring to the Board; whether or not any new nominee can devote sufficient time and resources to fulfill his or her duties as a member of the Board; and ensuring that the Board maintains a diversity of views and experience. Gender diversity is also taken into account as discussed in further detail below.

The Board is ultimately responsible for nominating for appointment any new directors and directors are selected for their integrity and character, sound judgment, breadth of experience, insight into and knowledge of Birchcliff's business and the industry and overall business acumen. Each director is expected to devote a sufficient amount of time and resources and to apply sound and reasonable business judgment in aiding the Board to make thoughtful and informed decisions.

Board Committees

The following table sets forth the committees of the Board and the members of each committee as at the date of this Information Circular:

Committee	Members	Independent
Audit Committee	Debra A. Gerlach ⁽¹⁾ (Chair)	Yes
	Dennis A. Dawson	Yes
	Stacey E. McDonald	Yes
Compensation Committee	Dennis A. Dawson (Chair)	Yes
	Debra A. Gerlach	Yes
	Stacey E. McDonald	Yes
Nominating Committee	Dennis A. Dawson (Chair)	Yes
	Debra A. Gerlach	Yes
	Stacey E. McDonald	Yes
Reserves Evaluation Committee	James W. Surbey (Chair)	No
	Dennis A. Dawson	Yes
	Debra A. Gerlach	Yes
	Stacey E. McDonald	Yes

(1) Ms. Debra A. Gerlach was appointed as Chair of the Audit Committee effective December 14, 2018. Ms. Rebecca A. Morley was the Chair of the Audit Committee until her resignation effective December 14, 2018.

The following sets forth a brief description of each of the committees.

Audit Committee

The Audit Committee is responsible for, among other things: (i) recommending to the Board the person or firm to be nominated as the auditors for the purposes of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation; (ii) overseeing the work of the auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the auditors regarding financial reporting; (iii) reviewing and reporting to the Board on the Corporation's interim and annual financial statements and related management's discussion and analysis before those materials are filed with applicable regulatory authorities and publicly disclosed; (iv) reviewing and reporting to the Board on the Corporation's annual and interim earnings press releases before the Corporation publicly discloses this information; and (v) overseeing management's reporting on internal controls.

The Audit Committee has developed and adopted a formal Charter and the text of that Charter, together with other disclosure required by NI 52-110, is contained in the Annual Information Form of the Corporation for the year ended December 31, 2018, under the heading "Audit Committee", which is available on SEDAR at www.sedar.com.

Compensation Committee

Information regarding the Compensation Committee, including the relevant education and experience of its members and its roles and responsibilities, is disclosed above under the heading "Executive Compensation – Compensation Discussion and Analysis – Compensation Governance". All members of the Compensation Committee are independent.

The Reserves Evaluation Committee

The Reserves Evaluation Committee is responsible for, among other things: (i) reviewing and making recommendations to the Board regarding the appointment of the independent qualified reserves evaluators under National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities ("NI 51-101")*; (ii) reviewing and confirming on at least an annual basis that the independent qualified reserves evaluators are independent; (iii) overseeing the work of the independent qualified reserves evaluators in preparing reserves reports; (iv) reviewing all reserves reports prepared by the independent qualified reserves evaluators with management of the Corporation

and the independent qualified reserves evaluators and making recommendations to the Board regarding the approval thereof; and (v) reviewing all reports and statements required to be filed pursuant to NI 51-101.

Nominating Committee

Information regarding the Nominating Committee is disclosed above under the heading “*Corporate Governance Disclosure – Nomination of Directors*”.

Assessments

The Board has established a formal process for the regular evaluation of the effectiveness and contribution of the Board, its committees and individual directors. Each director is required to annually complete a questionnaire to assess the Board’s effectiveness and performance. The questionnaire solicits feedback on various areas such as Board and committee effectiveness, processes for Board and committee meetings, director knowledge and corporate governance. The questionnaire is administered by the Chairman of the Board, who compiles and analyzes the results. In an effort to continuously improve the process, the format and focus of the written questionnaire is periodically reviewed by the Chairman.

Director Term Limits and Other Mechanisms of Board Renewal

The Board has not adopted term limits for the directors on the Board, mandatory retirement ages or other mechanisms of board renewal, other than the assessment process described above under the heading “*Corporate Governance Disclosure – Assessments*”. The Nominating Committee and the Board recognize the benefit that new perspectives, ideas and experience can offer and thus are supportive of periodic Board renewal. However, the Nominating Committee and the Board also believe that it is important to have directors who are knowledgeable of and thoroughly understand Birchcliff’s business and the industry in which it operates, which the Board believes comes from time and experience. Accordingly, the Nominating Committee and the Board believe that the imposition of arbitrary director term limits and mandatory retirement ages implicitly discounts the value of experience and continuity amongst board members and runs the risk of excluding experienced and potentially valuable board members as a result of an arbitrary determination.

As noted above, the Nominating Committee and the Board are supportive of periodic Board renewal and the Board has undergone significant renewal in recent years. In the last five years, two directors retired, one director resigned and five new directors joined the Board, all of whom brought valuable skills, knowledge and experience to the Corporation and to the Board. Of the proposed nominees for election as directors at the Meeting, 80% have a tenure of five years or less. The Board believes that the Board’s tenure profile has struck the appropriate balance between experience and diversity and the need for renewal.

As discussed above, the Board has established a formal process for the regular evaluation of the effectiveness and contribution of the Board, its committees and individual directors. The results of the evaluation are reviewed by the Board, who considers whether any changes to the Board’s composition or committee structure are appropriate.

Gender Diversity

As at the date of this Information Circular, the number of women on the Board is two (40%), the number of women in executive officer positions is zero (0%) and the number of women in management positions is two (12%). Following the Meeting, the number of women on the Board will be two (40%), assuming that all of proposed nominees set out herein are elected to the Board.

The Board and Nominating Committee consider the level of representation of women on the Board in appointing, nominating, or recommending for nomination, as applicable, candidates for election or appointment to the Board. In identifying and nominating candidates for election or appointment, the Nominating Committee and the Board consider various factors, including, but not limited to: (i) the individual merits of each potential candidate, including their skills, education, background, experience and any previous contributions to the Corporation; (ii) the number and qualities of potential candidates and whether any such candidates are women; (iii) the current composition of the Board; and (iv) the needs of the Corporation. The ultimate selection will be based on serving the best interests of the Corporation.

Although the Nominating Committee and the Board consider the level of representation of women on the Board in identifying and nominating candidates, the Board has not adopted a written policy relating to the identification and nomination of women directors. The directors of the Corporation have a fiduciary duty to act in the best interests of the Corporation. As part of that duty, the Board believes that it is required to select and nominate for election or appointment as directors those individuals who will best serve the interests of the Corporation, regardless of gender. The Board believes that implementing such a policy will potentially restrict the Board's ability to select those individuals who will best serve the interests of the Corporation.

The Corporation considers the level of representation of women in executive officer positions when making executive officer appointments. In making executive officer appointments, the Corporation considers various factors, including, but not limited to: (i) the individual merits of each potential candidate, including their skills, education, background, experience and any previous contributions to the Corporation; (ii) the number and qualities of potential candidates and whether any such candidates are women; (iii) the current composition of the executive officers; and (iv) the needs of the Corporation. The ultimate selection will be based on serving the best interests of the Corporation.

The Corporation has not adopted specific targets for gender or other dimensions of diversity at the Board or executive officer level due to the relatively small size of these groups. In addition, the Corporation believes that it is important that each appointment to the Board and at the executive officer level be made, and be perceived as being made, based on the merits of the individual and the needs of the Corporation at the relevant time. If specific targets were adopted based on specific criteria, including gender, this could limit the Corporation's ability to ensure that the overall composition of the Board and its team of executive officers meets the needs of the Corporation.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No person who is or has been a director, executive officer or employee of the Corporation at any time since the beginning of the financial year ended December 31, 2018, nor any proposed nominee for election as a director of the Corporation, nor any associate of any such directors, executive officers or proposed nominees, is or was indebted to: (i) the Corporation; or (ii) another entity where such indebtedness is or was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, in either case at any time since the beginning of the financial year ended December 31, 2018.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has or has had at any time since the beginning of the financial year ended December 31, 2018, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

There are potential conflicts of interest to which the directors and executive officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and executive officers of the Corporation are engaged and will continue to be engaged in other business opportunities on their own behalf and on behalf of other corporations and situations could arise where such directors and executive officers would be in competition with the Corporation. Any such actual or potential conflicts of interest shall be governed by applicable law.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information relating to the Corporation is provided in the Corporation's financial statements and management's discussion and analysis for the financial year ended December 31, 2018, copies of which are available on SEDAR at www.sedar.com.

Any securityholder may obtain a paper copy of the Corporation's financial statements and management's discussion and analysis for the financial year ended December 31, 2018 by contacting the Corporate Secretary of Birchcliff by e-mail, regular mail or telephone as set forth below:

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